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# THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS

TWENTY-FOURTH  
ANNIVERSARY

# YEAR-BOOK



[Incorporated under the Laws and Statutes of the State of New York]

Officers, Committees, Trustees and  
Members. Proceedings of the Annual  
Meeting in San Francisco, California,  
September 19th, 20th and 21st, 1911

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## Introductory Note

In presenting this history of the proceedings at the annual convention of the American Association of Public Accountants held in San Francisco in September, 1911, the President takes the opportunity of extending the thanks of the Association to their courteous and hospitable hosts, the California State Society of Certified Public Accountants, and to recommend these records to the members of the American Association.

EDWARD L. SUFFERN,  
*President.*

149 Broadway, New York.  
*November, 1911.*

## Certificate of Incorporation.

STATE OF NEW YORK,                    }  
City and County of New York, } ss.:

Be it known, that we:

ROBERT L. FABIAN of New York City,

JAMES YALDEN,                    "

WM. CALHOUN,                    "

WALTER H. P. VEYSEY,           "

MARK C. MIRICK,                "

CHARLES H. W. SIBLEY,           "

RODNEY McLAUGHLIN of Boston, Mass.

JOHN HEINS of Philadelphia, Pa.,

being persons of full age and citizens of the United States, and the majority being also citizens of the State of New York, desiring to associate ourselves for social and benefit purposes, to hereby certify in writing, as follows, to wit:

*First.*—That the name or title by which such society shall be known in law is

"THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS."

*Second.*—The particular business and object of such society is to associate into a society or guild for their mutual benefit and advantage the best and most capable public accountants practicing in the United States; and through such association to elevate the profession of public accountants as a whole, and to promote the efficiency and usefulness of members of such society, by compelling the observance of strict rules of conduct as a condition of membership and by establishing a high standard of professional attainments through general education and knowledge and otherwise; and to transact such business as may be necessary and incident to the establishment and conduct of an association for the foregoing purpose.

*Third.*—The number of trustees, directors or managers to manage the same shall be eight, and the name of the trustees, directors or managers for the first year of its existence are as follows, viz.:

Robert L. Fabian, James Yalden, Wm. Calhoun, Walter H. P. Veysey, Mark C. Mirick, Charles H. W. Sibley, Rodney McLaughlin and John Heins.

*Fourth.*—The district in which the principal office of such company or association shall be located is in the City, County and State of New York.

In testimony whereof we have made and signed the foregoing certi-



## *Certificate of Incorporation*

cate this twentieth day of August, in the year one thousand eight hundred and eighty-seven.

(Signed) J. YALDEN,  
JOHN HEINS,  
WALTER H. P. VEYSEY,  
M. C. MIRICK,  
C. H. W. SIBLEY,  
ROBT. L. FABIAN,  
WM. CALHOUN,  
RODNEY McLAUGHLIN.

STATE OF NEW YORK,        }  
City and County of New York, } ss.:

I, Charles Donohue, Justice of the Supreme Court of the State of New York, certify that the foregoing certificate has been submitted to, and examined by me and is properly drawn and signed, and that the same is in conformity with the constitution and laws of this state, and that the purpose for which the society or club is to be incorporated is not repugnant to any statute of this state, or prohibited thereby; and the same is hereby approved and the filing of this certificate consented to.

In testimony whereof, I have hereunto set my hand this 20th day of September, A. D. 1887.

(Signed) C. DONOHUE.

STATE OF NEW YORK,        }  
City and County of New York, } ss.:

I, James A. Flack, clerk of the said city and county, and clerk of the Supreme Court of the said state for said county, do certify that I have compared the preceding with the original certificate of incorporation of The American Association of Public Accountants on file in my office, and that the same is a correct duplicate therefrom, and of the whole of such original.

Indorsed, filed and recorded, 20th September, 1887.

In witness whereof, I have hereunto subscribed my name and affixed my official seal, this 20th day of September, 1887.

(Signed) JAMES A. FLACK,  
*Clerk.*

[SEAL.]

STATE OF NEW YORK,        }  
City and County of New York, } ss.:

I have compared the preceding with the duplicate original certificate of incorporation of The American Association of Public Accountants, with acknowledgments thereto annexed, filed and recorded in this office on the twenty-second day of September, 1887, and do hereby certify the

*American Association Year-Book*

same to be a correct transcript therefrom, and of the whole of the said duplicate original.

Witness my hand and the seal of the office of the Secretary of State, at the City of Albany, this 22d day of September, one thousand eight hundred and eighty-seven.

[L. S.]

(Signed) **FREDERICK COOK,**  
*Secretary of State.*

---

THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.  
PAST PRESIDENTS.

*James Yalden .....	1888, 1892
*John Heins .....	1889, 1890, 1891
Henry R. M. Cook .....	1893
Richard F. Stevens .....	1894, 1895, 1896
Frank Broaker .....	1897
W. Sanders Davies .....	1898
David Rollo .....	1899
Leonard H. Conant .....	1900, 1901
Ferdinand W. Lafrentz .....	1902, 1903
John R. Loomis .....	1904, 1905, 1906
Elijah W. Sells .....	1907, 1908
Joseph E. Sterrett .....	1909, 1910

\* Now deceased.



# The American Association of Public Accountants

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1911-1912.

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J. P. JOPLIN, C. P. A. ....	189 La Salle St., Chicago, Ill.
<i>Kentucky Association of Public Accountants</i> ,	
L. COMINGOR .....	407 Urban Building, Louisville, Ky.
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HENRY DASPIT, C. P. A. ....	Tulane-Newcomb Bldg., New Orleans, La.
<i>Maryland Association of Certified Public Accountants</i> ,	
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E. G. SHORROCK, C. P. A. ....	224 Central Bldg., Seattle, Wash.

## American Association Year-Book

### Wisconsin Association of Public Accountants,

HENRY SCHNEIDER .....612 Railway Ex. Bldg., Milwaukee, Wis.

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J. H. Kauffman.....Ohio

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Frank G. Dubois.....New Jersey  
David E. Boyce.....New York



## PRESIDENTS, SECRETARIES and TREASURERS

of Constituent State Societies of Accountants, and their addresses.  
Also year when State Legislation recognizing the Accountancy  
profession was passed in their respective States.

1896 New York State Society of Certified Public Accountants,

Apr. 17 *President* — HENRY R. M. COOK, C.P.A., 59th St. and Park Ave.,  
New York City.

*Secretary* — SAMUEL D. PATTERSON, C.P.A., 141 Broadway, New  
York City.

*Treasurer* — HOWARD B. COOK, C.P.A., 30 Broad Street, New  
York City.

1899 Pennsylvania Institute of Certified Public Accountants,

Mar. 29 *President* — T. EDWARD ROSS, C.P.A., Morris Building, Phila-  
delphia, Pa.

*Secretary* — JOHN L. CARLSON, C.P.A., Land Title Building,  
Philadelphia, Pa.

*Treasurer* — D. VINCENT JOHNSTON, C.P.A., 612 Real Estate  
Trust Building, Philadelphia, Pa.

1900 Maryland Association of Certified Public Accountants,

Apr. 10 *President* — FERDINAND L. BRAUNS, C.P.A., 412 West Fayette  
Street, Baltimore, Md.

*Secretary* — ELMER L. HATTER, C.P.A., 1027 Calvert Building,  
Baltimore, Md.

*Treasurer* — CHARLES R. DITTMAN, C.P.A., 115 East Lom-  
bard Street, Baltimore, Md.

1901 California State Society of Certified Public Accountants,

Mar. 23 *President* — GEORGE T. KLINK, C.P.A., Kohl Building, San Fran-  
cisco, Calif.

*Secretary* } JOHN F. FORBES, C.P.A., 203 Crocker Building, San  
*Treasurer* } Francisco, Calif.

1903 Washington Society of Certified Public Accountants,

Mar. 12 *President* — E. G. SHORROCK, C.P.A., 224 Central Building,  
Seattle, Wash.

*Secretary* } HERBERT E. SMITH, C.P.A., 1005 White Building,  
*Treasurer* } Seattle, Wash.

*American Association Year-Book*

- 1903 Illinois Society of Certified Public Accountants,  
July 1 *President*—J. PORTER JOPLIN, C.P.A., 189 La Salle Street, Chicago, Ill.  
*Secretary* } R. O. BERGER, C.P.A., 134 S. La Salle Street, Chicago, Ill.  
*Treasurer* }
- 1904 New Jersey, Society of Certified Public Accountants of the State of,  
Apr. 5 *President*—CLARKSON E. LORD, C.P.A., 30 Broad Street, New York City.  
*Secretary*—FRANK G. DUBOIS, C.P.A., Union Building, Newark, N. J.  
*Treasurer*—EDWIN S. WOODLING, C.P.A., 302 Prospect Street, Cranford, N. J.
- 1905 Michigan Association of Certified Public Accountants,  
May 4 *President*—FREDERICK T. GIES, C.P.A., Majestic Building, Detroit, Mich.  
*Secretary*—FREDERIC A. TILTON, C.P.A., Audit Dept., Security Trust, Detroit, Mich.  
*Treasurer*—HARRY RUPLE, C.P.A., Bronson, Mich.
- 1906 Rhode Island Society of Certified Public Accountants,  
Apr. 20 *President*—GEORGE R. LAWTON, C.P.A., Fall River, Mass.  
*Secretary* } CHARLES S. JENCKES, C.P.A., Industrial Trust  
*Treasurer* } Building, Providence, R. I.
- 1907 Colorado Society of Certified Public Accountants, Inc.,  
Mar. 27 *President*—FREDERICK W. DEIDESHEIMER, C.P.A., Box 1571, Denver, Colo.  
*Secretary*—PAGE LAWRENCE, C.P.A., P. O. Box 1558, Denver, Colo.  
*Treasurer*—JASPER A. WRITER, C.P.A., Boston Building, Denver, Colo.
- 1907 Connecticut Society of Certified Public Accountants,  
July 11 *President*—FREDERICK W. CHILD, C.P.A., Greenwich, Conn.  
*Secretary*—WILLIAM P. LANDON, C.P.A., 259 Capitol Avenue, Hartford, Conn.  
*Treasurer*—CHARLES C. WILSON, C.P.A., 146 Fairview Avenue, Bridgeport, Conn.
- 1908 Georgia State Association of Public Accountants,  
Aug. 17. *President*—A. J. HALTIWANGER, C.P.A., Candler Building, Atlanta, Ga.  
*Secretary* } JOEL HUNTER, C.P.A., Empire Building, Atlanta,  
*Treasurer* } Ga.



# HASKINS & SELLS

## *Presidents, Secretaries and Treasurers*

1908 Ohio Society of Certified Public Accountants,

May 9 *President*—J. J. MCKNIGHT, C.P.A., 709 Hayden Building,  
Columbus, O.

*Secretary*—JAS. ALBERT MILLER, C.P.A., Commercial Tribune  
Building, Cincinnati, O.

*Treasurer*—J. H. KAUFFMAN, C.P.A., Central Savings Bank  
Bldg., Canton, Ohio.

1908 Louisiana, Certified Public Accountants of the State of,

July 2 *President*—HENRY DASPIT, C.P.A., 211 Camp Street, New Or-  
leans, La.

*Secretary*—G. V. W. LYMAN, C.P.A., Hibernia Building, New  
Orleans, La.

*Treasurer*—R. C. LLOYD, C.P.A., 513 Canal-La. Bank Building,  
New Orleans, La.

1909 Montana State Society of Public Accountants,

Mar. 6 *President*—J. C. PHILLIPS, C.P.A., Miner Building, Butte, Mont.

*Secretary* } JOHN CRAWFORD, C.P.A., 404 W. Granite Street,  
*Treasurer* } Butte, Mont.

1909 Minnesota Society of Public Accountants,

Apr. 22 *President*—HERBERT M. TEMPLE, C.P.A., 805 Germania Life  
Building, St. Paul, Minn.

*Secretary*—GILBERT B. GREEN, C.P.A., 621 Metropolitan Life  
Building, Minneapolis, Minn.

*Treasurer*—NATHANIEL B. HINCKLEY, C.P.A., Endicott Build-  
ing, St. Paul, Minn.

1909 Massachusetts, Incorporated Public Accountants of,

May 17 *President*—CHARLES H. TUTTLE, C.P.A., 84 State Street, Bos-  
ton, Mass.

*Secretary*—WALDRON H. RAND, C.P.A., 59 Temple Place, Bos-  
ton, Mass.

*Treasurer*—HERBERT F. FRENCH, C.P.A., 166 Essex Street, Bos-  
ton, Mass.

1909 Missouri Society of Certified Public Accountants,

Aug. 15 *President*—DAVID L. GREY, C.P.A., Third National Bank Build-  
ing, St. Louis, Mo.

*Secretary*—E. G. H. KESSLER, C.P.A., Third National Bank  
Building, St. Louis, Mo.

*Treasurer*—R. W. BOISSELIER, C.P.A., 1203 Central National  
Bank Building, St. Louis, Mo.

## *American Association Year-Book*

1910 Virginia Society of Public Accountants, Inc.,

June 15 *President* — W. McK. EVANS, C.P.A., 1218 Mutual Building,  
Richmond, Va.

*Secretary* — E. A. BARBER, JR., C.P.A., 215 Mutual Building,  
Richmond, Va.

*Treasurer* — THOMAS U. HARE, C.P.A., 210 Withers Bldg., Nor-  
folk, Va.

### **Legislation pending (or not yet secured) in the following States, where Accountancy Societies exist.**

Alabama State Association of Public Accountants,

*President* — J. B. SIMPSON, Brown-Marx Building, Birmingham, Ala.

*Secretary* — G. L. LEMON, 1309 Empire Building, Birmingham, Ala.

*Treasurer* — C. S. HUFFMAN, Brown-Marx Building, Birmingham,  
Ala.

Kentucky Society of Public Accountants,

*President* — L. COMINGOR, 407 Urban Building, Louisville, Ky.

*Secretary* — C. W. BANTA, 611 Columbia Building, Louisville, Ky.

*Treasurer* — JOHN S. WOODS, Franklin Bank, Louisville, Ky.

Oregon State Society of Public Accountants,

*President* — WILLIAM WHITFIELD, Commercial Club Building, Port-  
land, Ore.

*Secretary* } JOHN Y. RICHARDSON, 401 Lewis Building, Portland, Ore.  
*Treasurer* }

Tennessee Society of Public Accountants,

*President* — W. A. SMITH, Memphis Trust Building, Memphis, Tenn.

*Secretary* — W. T. WATSON, 310 Memphis Trust Building, Memphis,  
Tenn.

*Treasurer* — ERNEST F. LATHAM, 526 Goodwyn Institute, Memphis,  
Tenn.

Texas State Society of Public Accountants,

*President* — H. E. GORDON, 903 Praetorian Bldg., Dallas, Texas.

*Secretary* } W. P. PETER, 904 Praetorian Building, Dallas, Tex.  
*Treasurer* }

Wisconsin Association of Public Accountants,

*President* — HENRY SCHNEIDER, 612 Railway Exchange Building, Mil-  
waukee, Wis.

*Secretary* } SAMUEL S. WEIL, 612 Railway Exchange Building, Mil-  
*Treasurer* } waukee, Wis.



## MEMBERS.

Those marked with an asterisk are Certified Public Accountants.

### FELLOWS AT LARGE—(Original).

*ADERER, ALEXANDER	.....225 Fifth Ave., New York City
*ARCHER, JOHN P.	.....225 Fifth Ave., New York City
BABCOCK, H. N.	.....309 McBride St., Syracuse, N. Y.
*BALLINGALL, PETER	.....Drexel Building, Philadelphia, Pa.
*BAYNE, ROBERT	.....34 Nassau St., New York City
BOURNE, CHARLES G.	.....52 Broadway, New York City
*BROAKER, FRANK	.....42 W. 24th St., New York City
*BROWN, ROBERT R.	.....100 Broadway, New York City
*CAMPBELL, HUDSON	.....296 Broad St., Elizabeth, N. J.
*CLARK, THOMAS R.	.....49 Wall St., New York City
*CLARKE, ANDREW A.	.....10 Wall St., New York City
*COCHEU, THEODORE, JR.	.....100 Broadway, New York City
*CONANT, LEONARD H.	.....30 Broad St., New York City
*CORWIN, HAMILTON S.	.....30 Broad St., New York City
*DECKER, HIRAM E.	.....137 La Salle St., Chicago, Ill.
*DIXCY, THOMAS BIRD	.....30 Church St., New York City
DOUGLAS, HARRY J.	.....Claus Spreckels Bldg., San Francisco, Calif.
DREYER, RUDOLPH H.	.....P O. Box 1101, San Diego, Calif.
DUNCAN, ERNEST A.	.....Victoria, B. C.
*FALLER, L. V.	.....81 Mountain Way, Rutherford, N. J.
*FERO, DEROT SMITH	.....30 Broad St., New York City
GIBBS, WILLIAM E.	.....Westfield, Mass.
*GIES, FRED. THEO.	.....723 Majestic Bldg., Detroit, Mich.
GREET, R. DOUGLAS	.....Old South Bldg., Boston, Mass.
*GUNNELL, WILLIAM J.	.....80 Dun Bldg., Buffalo, N. Y.
*HARCOURT, VIVIAN	.....Edificio La Mutua, No. 522, Mexico, D. F.
*HAWKINS, NORVAL A.	.....723 Majestic Bldg., Detroit, Mich.
*HERRICK, LESTER	.....Merchants' Exchange Bldg., San Francisco, Calif.
*HIGHLEY, CHARLES H.	.....Augusta, Ga.
*HUTCHINSON, THOMAS G.	.....Dyal-Upchurch Bldg., Jacksonville, Fla.
*JENCKES, CHARLES S.	.....810 Industrial Trust Bldg., Providence, R. I.
*KERR, J. C.	.....141 Broadway, New York City
*LAFRENTZ, F. W.	.....100 Broadway, New York City
*LAWTON, GEO. R.	.....Box 159, Fall River, Mass.
*LEIDERSDORF, S. D.	.....565 Broadway, New York City
*LEITH, JOHN	.....159 La Salle St., Chicago, Ill.
*LITTLE, ALBERT E.	.....141 Broadway, New York City
*LITTLE, G. ELLIOTTE	.....141 Broadway, New York City
LOBB, H. W.	.....1211 Claus Spreckels Bldg., San Francisco, Calif.
*LOOMIS, J. R.	.....149 Broadway, New York City
*LUDLAM, CHARLES S.	.....30 Broad St., New York City
*MACINNES, DUNCAN	.....320 Broadway, New York City
*MACRAE, FARQUHAR J.	.....68 William St., New York City
*McCULLOH, CHARLES S.	.....43 Exchange Pl., New York City
*MCGIBBON, BROWNELL	.....44 Pearl St., New York City
*MASON, JARVIS W.	.....100 Broadway, New York City
*NILES, HENRY A.	.....111 Broadway, New York City
*PHELPS, CHARLES D.	.....143 Liberty St., New York City

## American Association Year-Book

*PLANT, W. E. ....	1419	Pierce Bldg., St. Louis, Mo.
RAUDENBUSH, J. K. ....	239	Cumberland St., Lebanon, Pa.
*ROBERTS, T. CULLEN ....	56	Pine St., New York City
*ROLLO, DAVID ....		Betts Brewery, Philadelphia, Pa.
*RUCKER, R. H. ....	27	Pine St., New York City
*SELLS, ELIJAH W. ....	30	Broad St., New York City
*SMITH, ARTHUR W. ....	25	Broad St., New York City
*SMITH, CHARLES B. ....	45	Broadway, New York City
*STEVENSON, CHARLES C. ....	31	Nassau St., New York City
*TEICHMANN, MAX ....	800	Equitable Bldg., Baltimore, Md.
*VAUGHAN, JOHN ....	413	Fourth Ave., Pittsburgh, Pa.
*WALTER, A. PERCY ....	49	Wall St., New York City
WALTERS, CHARLES W. ....		Drexel Bldg., Philadelphia, Pa.
*WATSON, WILLIAM A. ....	9	Richards St., Brooklyn, N. Y.
*WEISS, WILLIAM F. ....	170	Broadway, New York City
WITTENBERG, FRANK ....	204	Louisiana St., Little Rock, Ark.
WOODWARD, R. G. ....	25	Broad St., New York City
Total, 65.		

### FELLOWS AT LARGE (Elected since Jan. 10, 1905).

AUSTIN, WILLIAM GAINES ....	8	So. Bayou St., Mobile, Ala.
BLACK, GEORGE ....	318	Worcester Bldg., Portland, Ore.
*BURLINGAME, C. M. ....	253	Broadway, New York City
*CANNON, THOMAS CHAS. ....	604	The Rookery, Spokane, Wash.
DIX, SAMUEL M. ....	31	Nassau St., New York City
FISCHER, EMIL S. ....		Tien-Tsin, North China
FOSTER, WILLIAM H. ....	149	Broadway, New York City
*GUNN, J. NEWTON ....	43	Exchange Pl., New York City
HALL, F. N. ....	146	Broadway, New York City
HARRIS, CHARLES G. ....		Union Natl. Bank Bldg., Louisville, Ky.
HOGG, ALFRED W. D. ....	37	Maiden Lane, New York City
JAMESON, CHARLES M. ....	68	William St., New York City
*KENWORTHY, ARTHUR W. ....	115	Broadway, New York City
*LYNNE, WILLIAM C. ....	80	Wall St., New York City
*MACLETHIE, JOHN ....	52	Broadway, New York City
*MARWICK, JAMES ....	79	Wall St., New York City
*NASMYTH, CHARLES J. ....	15	Wall St., New York City
*RICHARDS, WILLIS B. ....	43	Exchange Pl., New York City
*ROSS, FREDERICK A. ....	135	Temple St., Minneapolis, Minn.
SCHNEIDER, HENRY ....	612	Railway Exchange, Milwaukee, Wis.
SPENCER, ENOS ....	301	Union Natl. Bank Bldg., Louisville, Ky.
TURNER, THOMAS E. ....	301	Union Natl. Bank Bldg., Louisville, Ky.
WIGGINS, HORACE S. ....		Lincoln, Nebr.
YALDEN, PERCY A. ....	32	Nassau St., New York City
Total, 24.		

### ASSOCIATES AT LARGE—(Original).

BULL, H. J. ....	442	W. 124th St., New York City
COADE, WILLIAM HENRY ....	60	Wall St., New York City
FORSICK, CHARLES E. ....	30	Broad St., New York City
*GAYNOR, PHILIP B. ....	165	Broadway, New York City
GREACEN, ALBERT ....	30	Broad St., New York City
*HERINGTON, PERCY R. ....	105	W. 40th St., New York City
JACOBSON, GUSTAVE A. ....	932	Reed Pl., Chicago, Ill.
*JASPER, WILLIAM H. ....	105	W. 40th St., New York City
KERR, JOHN F. ....	100	Broadway, New York City
LATHAM, WILLIAM HENRY ....	543	W. 43rd St., New York City



## Members

*LOVEJOY, ERNEST W. ....	55 Liberty St., New York City
MITCHELL, JOSIAH S. ....	149 Broadway, New York City
ROBERTS, C. CULLEN ....	771 East Blvd., Weehawken, N. J.
SANFORD, D. R. ....	100 Broadway, New York City
SCOVILLE, C. E. ....	Bank & Loan Bldg., Watertown, N. Y.
WEISS, CLEMENS ....	Fifth Ave. & 33rd St., New York City
WEST, CHARLES ....	Connell Bldg., Scranton, Pa.
Total, 17.	

### ASSOCIATES AT LARGE (Elected since Jan. 10, 1905).

AUSTIN, RALPH J. ....	Apartado 1403, Mexico, D. F.
BOWMAN, ARCHIBALD. ....	79 Wall St., New York City
BOYNTON, CHARLES EVERETT ....	190 Portland St., Portland, Ore.
BUSH, GEORGE E. ....	West 13th St., New York City
DOHERTY, JOHN ....	242 W. 132nd St., New York City
FUCHS, A. W. ....	531 W. 151st St., New York City
HART, PATRICK HENRY ....	261 Broadway, New York City
HOUGH, HARRY. ....	55 Liberty St., New York City
KERR, DAVID S. ....	248 Fourth Ave., Pittsburgh, Pa.
LONGNECKER, CLARENCE ....	City Natl. Bank Bldg., El Paso, Tex.
LYCHENHEIM, JOHN ....	Edificio de la Mutua, Mexico, D. F.
RARESHIDE, SHFPARD ....	30 Broad St., New York City
RUSSELL, WILLIAM F. ....	Harrisburg, Pa.
THURSTON, THOMAS A. ....	City Natl. Bank Bldg., El Paso, Tex.
VEAZEY, NORMAN E. ....	Exchange Natl. Bank Bldg., Little Rock, Ark.
WILSON, JAMES MOORE ....	736 University Bldg., Syracuse, N. Y.
Total, 16.	

## SOCIETY MEMBERS.

### *The Alabama State Association of Public Accountants.*

#### *Fellows:*

AUSTIN, W. G. ....	Box 412, Mobile, Ala.
HUFFMAN, C. S. ....	Brown-Marx Bldg., Birmingham
LEMON, G. L. ....	1309 Empire Bldg., Birmingham
NEVILLE, T. S. ....	First Natl. Bank Bldg., Birmingham
RIDOUT, T. A. ....	Empire Bldg., Birmingham
SIMPSON, J. B. ....	Brown-Marx Bldg., Birmingham
TODD, H. L. ....	707 N. 25th St., Birmingham
WILSON, D. E. ....	Brown-Marx Bldg., Birmingham
Total, 8.	

#### *Associates:*

CONNER, T. J., JR. ....	Brown-Marx Bldg., Birmingham
FISHER, B. L. ....	1309 Empire Bldg., Birmingham
SIMPSON, M. H. ....	Brown-Marx Bldg., Birmingham
Total, 3.	

### *California State Society of Certified Public Accountants.*

#### *Fellows:*

*AMRATH, J. W. ....	Clunie Bldg., San Francisco
*ATKINSON, T. T. ....	251 Kearney St., San Francisco
*BALLANTINE, W. D. ....	268 Market St., San Francisco
*BARBER, J. W. ....	816 Kohl Bldg., San Francisco
*BLACKMAN, W. R. ....	206 Henne Bldg., Los Angeles
*BOURS, B. W. ....	Merchants' Exchange Bldg., San Francisco
*BRACE, HERBERT M. ....	Chronicle Bldg., San Francisco
*BULLOCK, E. B. ....	357 Pine St., Alameda

## *American Association Year-Book*

*CARRUTHERS, C. P. ....	Alaska-Commercial Bldg.,	San Francisco
*CHAMBERLAIN, C. P. ....	310 California St.,	San Francisco
*COOPER, H. J. ....	255 California St.,	San Francisco
*CORNELL, CHARLES E. ....	35 Bella Vista Ave.,	Oakland
*CRAMER, W. H. ....	268 Market St.,	San Francisco
*DE CLAIRMONT, R. ....	1663 Oak St.,	San Francisco
*DOLGE, WILLIAM ....	311 California St.,	San Francisco
*FIELDS, J. L. ....	Call Bldg.,	San Francisco
*FORBES, JOHN F. ....	203 Crocker Bldg.,	San Francisco
*FOSTER, J. F. ....	743 Pacific Bldg.,	San Francisco
*GOODE, P. G. ....	519 California St.,	San Francisco
*GREENWOOD, L. H. ....	Clunie Bldg.,	San Francisco
*HERRICK, ANSON ....	Merchants' Exchange Bldg.,	San Francisco
*HERRICK, LESTER ....	Merchants' Exchange Bldg.,	San Francisco
*HENN, W. O. ....	Crocker Bldg.,	San Francisco
*JANSEN, F. BROMLEY ....	Clunie Bldg.,	San Francisco
*JOHNSON, FREDERICK ....	Alaska-Commercial Bldg.,	San Francisco
*KLINK, GEORGE T. ....	816 Kohl Bldg.,	San Francisco
*KNIGHT, ALLEN ....	502 California St.,	San Francisco
*LANGDON, W. G. ....	New York City	
*LAWS, HENRY ....	"La Solana,"	Pasadena, Calif.
*LAWSON, CHARLES H. ....	Alaska-Commercial Bldg.,	San Francisco
*McLAREN, NORMAN ....	519 California St.,	San Francisco
*PEDDER, STANLEY ....	Coalinga, Calif.	
*RAHILL, J. J. ....	Cutter Laboratory,	Berkeley
*ROBINSON, A. P. ....	Merchants' Exchange Bldg.,	San Francisco
*ROWE, C. V. ....	268 Market St.,	San Francisco
*RUCKSTELL, J. R. ....	Call Building,	San Francisco
*SMYTH, J. F. ....	c/o C. E. Scoville, Bank & Loan Bldg.,	Watertown, N. Y.
*SHIPLEY, E. M. ....	268 Market St.,	San Francisco
*WALKER, JOSHUA ....	255 California St.,	San Francisco
*WEBSTER, GEORGE R. ....	Alaska-Commercial Bldg.,	San Francisco
*WENZELBURGER, A. ....	268 Market St.,	San Francisco
*YOUNG, DAVID. ....	Alaska-Commercial Bldg.,	San Francisco
Total, 42.		

### *Associates:*

*BROTHERTON, R. E. ....	818 Kohl Bldg.,	San Francisco
*COLE, R. W. E. ....	326 Commercial St.,	Los Angeles
*MURPHY, CHARLES. ....	Natoma, Calif.	
*SUTTER, A. ....	351 Maple St.,	San Francisco
Total, 4.		

### *Honorary Member:*

<i>Hatfield, Henry Rand</i> ....	University of California,	Berkeley, Calif.
Total, 1.		

## *The Colorado Society of Certified Public Accountants.*

### *Fellows:*

*ARTHUR, EDWIN F. ....	707 Continental Bldg.,	Denver
*BAKER, JOHN H. ....	Colo. Title & Trust Bldg.,	Colo. Springs
*DEIDESHEIMER, F. W. ....	18 Commercial Bldg.,	Denver
*DITTMAN, WILLIAM E. ....	First National Bank Bldg.,	Boulder
*FINK, ELWOOD. ....	204 Coronado Bldg.,	Denver
*FOWLIE, ALEXANDER E. ....	Leadville, Colo.	
*GEIJSBEEK, JOHN B. ....	806 Equitable Bldg.,	Denver
*HAMMA, MORTON M. ....	National Safety Vault Bldg.,	Denver



## Members

*HUMPHREYS, WILLIAM E.	709 Colorado Bldg., Denver
*KINGWILL, JOSEPH H.	1654 Broadway, Denver
*KERN, ETHELBERT L.	1353 Delaware St., Denver
*KRAUSE, GUSTAV.	Box 123, Denver
*LAWRENCE, PAGE.	Box 1558, Denver
*LOUGHBOOM, WILLIAM C.	531 So. Spring, Los Angeles Calif.
*McMAHON, FRANCIS M.	Mining Exchange Bldg., Colo. Springs, Colo.
*MILLER, ALBERT A.	Box 159, Denver
*MITCHELL, HORACE H.	Giddings Block, Colo. Springs
*MULNIX, HARRY E.	1565 Lafayette St., Denver
*PFEIFFER, EMIL W.	State Capitol, Denver
*PITCAITHLY, WILSON L.	707 Continental Bldg., Denver
*SMITH, ORVILLE A.	531 Boston Bldg., Denver
*SPENCER, FERMOR J.	707 Continental Bldg., Denver
*STANLEY, EDWARD.	Denver
*STUMM, GUY C.	Idaho Springs, Colo.
*WALLACE, R. J.	1543 Glenarm St., Denver
Total, 25.	

### *Associates:*

COLLINS, C. W.	1008 Gas & Electric Bldg., Denver
HAMILTON, A. E.	1654 Broadway, Denver
KESTER, ROY B.	508 Y. M. C. A. Building, Denver
LOTT, GEO. B.	State Capitol, Denver
MORRIS, B.	804 Equitable Building, Denver
SNODGRASS, M. T.	530 17th St., Denver
Total, 6.	

### *The Connecticut Society of Certified Public Accountants.*

#### *Fellows:*

*BEERS, HARRY TREAT	42 Church St., New Haven
*BOWMAN, JOHN H.	32 Union Ave., Clifton, N. J.
*BROWN, GEORGE C.	41 Wall St., New York City
*CHILD, FREDERICK W.	Greenwich, Conn.
*DILLON, WILLIAM	50 Congress St., Boston, Mass
*EGGLESTON, D. C.	Sound Beach, Conn
*ERSKINE, ALBERT R.	9 Murray St, New York City
*FOSTER, HERBERT	38 Humphrey St, New Haven
*GUNN, J. NEWTON	41 Wall St., New York City
*IRVING, CHARLES H.	7 Sherman Court, New Britain, Conn.
*LOVEJOY, E. W.	54 William St., New York City
*MANVEL, FREDERICK C.	Greenwich, Conn.
*MARVIN, HAROLD A.	Tremont Bldg., Boston, Mass.
*MOYER, MELBOURNE S.	277 Broadway, New York City
*NASMYTH, CHARLES J.	15 Wall St., New York City
*NOLAN, L. J.	25 Pine St., New York City
*PETZE, EDWARD I.	165 Broadway, New York City
*RICHARDS, WILLIS B.	41 Wall St., New York City
*TAYLOR, FRANK S.	318 Main St., Springfield, Mass.
*VANNAIS, GEORGE L.	P. O. Box 269, Hartford, Conn.
*WILSON, CHARLES C.	146 Fairview Ave., Bridgeport
Total, 21.	

#### *Associates:*

*AUSTIN, JOSEPH S.	310 Sargeant St., Hartford
*LONDON, WILLIAM P.	259 Capitol Ave., Hartford
*STARKWEATHER, JOHN	Ansonia
Total, 3.	

## *American Association Year-Book*

### *Honorary Members:*

<i>Hill, George E.</i> .....	Bridgeport, Conn
<i>Woodruff, Rollin S. (Hon.)</i> .....	New Haven, Conn
Total, 2.	

### *Georgia State Association of Public Accountants.*

#### *Fellows:*

* <i>BIDWELL, C. B.</i> .....	4th Natl. Bank Bldg., Atlanta
* <i>DIBBLE, W. J.</i> .....	Kiser Bldg., Atlanta
* <i>HALTIWANGER, A. J.</i> .....	Candler Bldg., Atlanta
* <i>HIGHLEY, CHARLES H.</i> .....	Augusta, Ga.
* <i>HUNTER, JOEL.</i> .....	Empire Bldg., Atlanta
* <i>MARSH, R. P.</i> .....	Leonard Bldg., Augusta, Ga.
* <i>METZ, CHARLES J.</i> .....	Candler Bldg., Atlanta
* <i>RICHARDSON, ALONZO.</i> .....	Empire Bldg., Atlanta
* <i>SHELDON, W. B.</i> .....	Los Angeles, Calif.
Total, 9.	

### *Illinois Society of Certified Public Accountants.*

#### *Fellows:*

* <i>ALLEN, EDWARD.</i> .....	Hibernia Bank Bldg., New Orleans, La.
* <i>ANDERSON, ARTHUR E.</i> .....	1310 Corn Exchange Bank Bldg., Chicago
* <i>BEANS, WALTER.</i> .....	Care of Daniels & Fisk Co., Denver, Colo.
* <i>BENNINGTON, HAROLD.</i> .....	802 Marquette Bldg., Chicago
* <i>BENTLEY, ARTHUR.</i> .....	14th & Robey Sts., Chicago
* <i>BERGER, R. O.</i> .....	134 S. La Salle St., Chicago
* <i>BICKETT, WILLIAM PURCELL.</i> .....	Market Bldg., Chicago
* <i>BOUGHEY, FRANK W.</i> .....	74 Title & Trust Bldg., Chicago
* <i>BOULTER, WILLIAM BOBY.</i> .....	824 Monadnock Block, Chicago
* <i>BROWN, JOHN H.</i> .....	119 Monroe St., Chicago
* <i>BUCHANAN, R. S.</i> .....	189 La Salle St., Chicago
* <i>CANT, RODDAM.</i> .....	824 Monadnock Block, Chicago
* <i>CHASE, W. A.</i> .....	Title & Trust Bldg., Chicago
* <i>COOPER, JOHN A.</i> .....	119 Monroe St., Chicago
* <i>DELLSCHAFT, C. F. A.</i> .....	
.....	Care Price, Waterhouse & Co., 54 William St., New York City
* <i>DICKINSON, A. LOWES.</i> .....	54 William St., New York City
* <i>DIRKS, HERMAN J.</i> .....	802 Marquette Bldg., Chicago
* <i>GORE, EDWARD E.</i> .....	824 Monadnock Block, Chicago
* <i>GRIEG, A. F. RATTRAY.</i> .....	4208½ Berkeley Ave., Chicago
* <i>GROEBE, L. G.</i> .....	806 First Natl. Bank Bldg., Chicago
<i>HALL, JAMES.</i> .....	189 La Salle St., Chicago
* <i>HOPKINS, S. R.</i> .....	Mishawaka, Ind.
* <i>HUGHES, RUPERT S.</i> .....	25 Broad St., New York City
* <i>HUNT, S. WADE.</i> .....	616 New York Life Bldg., Chicago
* <i>JACKSON, H. J.</i> .....	115 Adams St., Chicago
* <i>JOHNSON, PAUL C.</i> .....	1310 Corn Exchange Bank Bldg., Chicago
* <i>JONES, D. O.</i> .....	824 Monadnock Block, Chicago
* <i>JOPLIN, J. PORTER.</i> .....	189 La Salle St., Chicago
* <i>KNISELY, C. W.</i> .....	First Natl. Bank Bldg., Chicago
* <i>KUHNS, M. S.</i> .....	159 La Salle St., Chicago
* <i>LANGER, CHARLES HEINRICHS.</i> .....	122 Michigan Ave., Chicago
* <i>LEITH, JOHN.</i> .....	159 La Salle St., Chicago
* <i>LEVI, D. J.</i> .....	189 La Salle St., Chicago
* <i>LUDLAM, C. E.</i> .....	30 Broad St., New York City
* <i>MACDONALD, C. A.</i> .....	1411 Rokeby St., Chicago
* <i>MACDONALD, R. O.</i> .....	824 Monadnock Block, Chicago
* <i>MAHONY, JOHN.</i> .....	401 Commercial Natl. Bank Bldg., Chicago



## Members

*MARR, C. J.	1310 Corn Exchange Bank Bldg., Chicago
*MAY, GEORGE O.	54 William St., New York City
*McKEAND, C. A.	824 Monadnock Block, Chicago
*McGREGOR, JAMES P.	714 Title & Trust Bldg., Chicago
*MERRILL, C. D.	824 Monadnock Block, Chicago
*MILLS, E. M.	Borland Block, Chicago
*NELSON, ROBERT.	135 Adams St., Chicago
*NIGG, C.	Schiller Bldg., Chicago
*NIVEN, JOHN B.	30 Broad St., New York City
*PHILLIPS, H. G.	609 First Natl. Bank Bldg., Chicago
*PICKETT, L. S.	Mishawaka, Ind
*REAY, WILLIAM M.	234 Michigan Ave., Chicago
*RECKITT, ERNEST.	802 Marquette Bldg., Chicago
*ROBERTS, WILLIAM H.	824 Monadnock Block, Chicago
*RUGG, A. W.	Police Pension Board, Chicago
*SCHELTES, S. A.	4515 Washington Bou., Chicago
*SCOBIE, J. C.	54 William St., New York City
*SEATREE, W. ERNEST.	206 La Salle St., Chicago
*SELLS, ELIJAH W.	30 Broad St., New York City
*SMART, ALLEN R.	824 Monadnock Block, Chicago
*SPENCE, A. PYOTT.	25 Broad St., New York City
*STALLINGS, A. J.	Hibernia Bank Bldg., New Orleans, La.
*STAUB, WALTER A.	First Natl. Bank Bldg., Chicago
*STERRETT, J. E.	54 William St., New York City
*THOMPSON, W. W.	856 First Natl. Bank Bldg., Chicago
*TOD, A. KINNAIRD.	79 Wall St., New York City
*TURVILLE, GEORGE A.	Pittsburgh, Pa.
*VAUGHAN, A. S.	Marquette Bldg., Chicago
*WALTON, SEYMOUR.	189 La Salle St., Chicago
*WEBSTER, GEORGE R.	Alaska-Commercial Bldg., San Francisco
*WHITE, F. F.	49 Wall St., New York City
*WHITE, PETER.	Del Prado Hotel, Chicago
*WILMOT, H. W.	54 William St., New York City
*YOUNG, ARTHUR.	Monadnock Block, Chicago
Total,	71.

### Associates:

CULLEN, WILLIAM H.	Hartford Bldg., Chicago, Ill.
Total,	1.

### Honorary Member:

Wilkinson, George.	30 Church St., New York City
Total,	1.

## Kentucky Association of Public Accountants.

### Fellows:

BANTA, CHARLES W.	611 Columbia Bldg., Louisville
COMINGOR, L.	407 Urban Bldg., Louisville
DRYDEN, T. W.	Second & Walnut Sts., Louisville
HARRIS, CHARLES G.	Union Natl. Bank Bldg., Louisville
MELDRUM, OVERTON S.	514 Keller Bldg., Louisville
PARKER, W. S.	Walker Bldg., Louisville
SCHWARTZ, G. W.	Second & Walnut Sts., Louisville
SPENCER, ENOS.	Union Natl. Bank Bldg., Louisville
TURNER, THOMAS E.	Union Natl. Bank Bldg., Louisville
WEAVER, W. L.	611 Columbia Bldg., Louisville
WEAVER, B. PERRY.	611 Columbia Bldg., Louisville
WOODS, JOHN S.	Franklin Bank, Louisville
Total,	12.

## *American Association Year-Book*

### *The Society of Louisiana Certified Public Accountants.*

#### *Fellows:*

*ANGEL, LAWRENCE R.....	Hibernia Bldg., New Orleans
*BIENVENU, EMILE.....	Maison-Blanche, New Orleans
*DASBIT, HENRY.....	605 Tulane-Newcomb Bldg., New Orleans
*DEAS, D. H.....	Shreveport, La.
*GOLDMAN, MYRON M.....	Whitney Central Bldg., New Orleans
*HIGHTOWER, J. D.....	Hibernia Bldg., New Orleans
*LLOYD, R. C.....	Canal-La. Bank Bldg., New Orleans
*LYMAN, GUY V. W.....	Hibernia Bldg., New Orleans
*MIELLY, E. F.....	345 Carondelet St., New Orleans
*NATHAN, G. MCD.....	510 Audubon Bldg., New Orleans
*SHERWOOD, P. W.....	Godschaux Bldg., New Orleans
*SHERWOOD, R. D. T.....	Godschaux Bldg., New Orleans
*TAYLOR, W. G.....	Hibernia Bldg., New Orleans
*WATSON, S. M.....	Shreveport, La.
Total, 14.	

### *Maryland Association of Certified Public Accountants of Baltimore City.*

#### *Fellows:*

*ATKINSON, ALFRED.....	106 South St., Baltimore
*BERRY, THOMAS L.....	Fidelity Bldg., Baltimore
*BLACK, WILMER.....	1109 American Bldg., Baltimore
*BLACKLOCK, FRANK.....	108 Law Bldg., Baltimore
*BRAUNS, FERDINAND L.....	412 W. Fayette St., Baltimore
*DITMAN, CHARLES R.....	115 E. Lombard St., Baltimore
*DODD, ALEXANDER.....	203 St. Paul St., Baltimore
*EVANS, CLARENCE R.....	524 South Broadway, Baltimore
*FEUSS, ANDREW C.....	1004 W. Lafayette St., Baltimore
*GREENWAY, EUGENE.....	909 Calvert Bldg., Baltimore
*HALL, CHARLES O.....	711 Fidelity Bldg., Baltimore
*HALL, CLAYTON C.....	8-10 South St., Baltimore
*HATTER, ELMER L.....	1027-33 Calvert Bldg., Baltimore
*HEHL, CHARLES L.....	1027-33 Calvert Bldg., Baltimore
*HUNTER, ANDREW, JR.....	1109 American Bldg., Baltimore
*KUCHLER, JOHN.....	1027-33 Calvert Bldg., Baltimore
*LEE, KARL L.....	P. O. Box 703, Baltimore
*LILLEY, RALEIGH L.....	663 Calvert Bldg., Baltimore
*MEYER, HERMAN F.....	135 E. Baltimore St., Baltimore
*STARKLOFF, CARL V.....	P. O. Box 132, Baltimore
*TEICHMANN, MAX.....	Equitable Bldg., Baltimore
*TOMPKINS, JOHN A.....	301 N. Charles St., Baltimore
Total, 22.	

#### *Associates:*

*DOETSCH, ELSA.....	8-10 South St., Baltimore
*HOOPER, FLORENCE.....	8-10 South St., Baltimore
*MORROW, ROBERT C.....	1029 Edmondson Ave., Baltimore
*PAGE, HOWARD P.....	Fayette & North Sts., Baltimore
*SCHNEPPE, CHARLES H.....	33 Franklin Bldg., Baltimore
*WAGNER, EDGAR T.....	139 W. Lafayette St., Baltimore
*WOODEN, ERNEST.....	1027 Calvert Bldg., Baltimore
Total, 7.	

#### *Honorary Members:*

Boyce, Fred G.....	Baltimore
Dawkins, Walter J.....	Baltimore



## Members

<i>Hahn, Samuel M.</i> .....	Baltimore
<i>Lemmon, J. Southgate</i> .....	Baltimore
<i>Muir, D. D.</i> .....	Baltimore
<i>Siegmund, C. E.</i> .....	Baltimore
Total, 6.	

### *The Incorporated Public Accountants of Massachusetts.*

#### *Fellows:*

*ALBEE, AMOS D.....	53 State St., Boston
*ALBEE, HERBERT H.....	53 State St., Boston
BARDWELL, WALLACE E.....	124 Summer St., Pittsfield
*BASSET, HORACE S.....	John Hancock Bldg., Boston
*BISHOP, GEORGE L.....	59 Temple Pl., Boston
*BOYDEN, WALTER L.....	6 Beacon St., Boston
*CHANDLER, ASA E.....	54 Kilby St., Boston
*CHASE, ARTHUR T.....	84 State St., Boston
*CHASE, CHARLES DYER.....	31 State St., Boston
CHASE, GEORGE S.....	84 State St., Boston
*CHASE, HARVEY S.....	84 State St., Boston
*COMINS, EDWARD P.....	84 State St., Boston
*COOLEY, MORGAN L.....	Tremont Bldg., Boston
*DAVIS, HERBERT T.....	8 Congress St., Boston
*DILLON, WILLIAM.....	50 Congress St., Boston
*DOUGLAS, ROBERT.....	166 Essex St., Boston
DYSART, ROBERT J.....	28 State St., Boston
EDWARDS, TRUMAN G.....	1126 Old South Bldg., Boston
*FRENCH, HERBERT F.....	166 Essex St., Boston
*GREELEY, HENRY N.....	53 State St., Boston
*GLUNTS, JAMES D.....	53 Congress St., Boston
*HALL, WILLIAM FRANKLIN.....	53 State St., Boston
*HALL, JAMES W.....	53 State St., Boston
HARPER, RICHARD L.....	53 State St., Boston
HERRICK, WILLIAM H.....	24 Milk St., Boston
*HILLMAN, FREDERICK J.....	Court Square Bldg., Springfield
KELLOGG, CHARLES F.....	35 Congress St., Boston
*LOVE, HENRY D.....	84 State St., Boston
*LUTHER, J. SEYMOUR, JR.....	53 State St., Boston
*LYALL, GEORGE.....	27 State St., Boston
*MANSFIELD, GIDEON M.....	904 Exchange Bldg., Boston
MANSON, GEORGE W.....	113 Devonshire St., Boston
MARVIN, HAROLD A.....	Tremont Bldg., Boston
*MASTERS, J. EDWARD.....	60 State St., Boston
*MOYER, ORLANDO C.....	43a. Oakville Terrace, Jamaica Plains
NEWELL, WILLIAM C.....	6 Oliver Bldg., Boston
*NICKERSON, AUGUSTUS.....	53 State St., Boston
*OAKEY, FRANCIS.....	84 State St., Boston
*PARKER, EDWARD L.....	50 State St., Boston
PARSONS, JOSEPH S.....	214 Columbus Ave., Boston
*PARSONS, THOS. P.....	1107 Tremont Bldg., Boston
*PIPER, HENRY A.....	953 Old South Bldg., Boston
*POPE, CHARLES H.....	166 Essex St., Boston
*PRIDE, EDWIN L.....	8 Congress St., Boston
*RAND, WALDRON H.....	59 Temple Pl., Boston
*SANGER, GABRIEL.....	166 Essex St., Boston
*SAWYER, HOLLIS H.....	60 Congress St., Boston
*SETCHELL, MORTON E.....	932 Old South Bldg., Boston
*SPURR, THOMAS S.....	258 Washington St., Boston
*STEELE, F. B. CARNEGIE.....	131 State St., Boston

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*STEWART, ANDREW.....	28 State St., Boston
*STORER, NEWMAN W.....	59 Temple Pl., Boston
*STRACHAN, C. DUTHIE.....	59 Temple Pl., Boston
TUFTS, FREDERICK C.....	24 Milk St., Boston
*TUTTLE, CHARLES H.....	84 State St., Boston
WELLINGTON, C. OLIVER.....	714 Tremont Bldg., Boston
*WRIGHT, CHARLES H.....	9 Emrose Terrace, Boston
WRIGHT, RICHARD W.....	953 Old South Bldg., Boston
WRIGHT, WALTER C.....	45 Milk St., Boston
*WRYE, WALTER C.....	84 State St., Boston
*WYMAN, GERALD.....	131 State St., Boston
Total, 61.	

### *Associates:*

ALBREE, EDWARD C.....	Swampscott, Mass.
BYRNES, ARTHUR T.....	53 State St., Boston
DYSART, HUGH.....	28 State St., Boston
WOODBIDGE, JOHN M.....	214 Summer St., Boston
Total, 4	

### *Honorary Member:*

Kurtz, Charles C.....	31 State St., Boston
Total, 1.	

## *The Michigan Association of Certified Public Accountants.*

### *Fellows:*

*BECK, HOWARD C.....	922 Ford Bldg., Detroit
*BENNETT, ROBERT J.....	1421 Arch St., Philadelphia
*BONTHRON, WILLIAM D.....	1004 Union Trust Bldg., Detroit
*BROWN, GEORGE C.....	318 Majestic Bldg., Detroit
*FLEMING, CHARLES D.....	Penobscot Bldg., Detroit
*GAUSBY, HAROLD S.....	318 Majestic Bldg., Detroit
*GIES, FRED T.....	Majestic Bldg., Detroit
*GRIDLEY, WILLIAM D.....	5 McGraw Bldg., Detroit
*HARDMAN, JAMES E.....	Houseman Bldg., Grand Rapids
*HAWKINS, NORVAL A.....	Majestic Bldg., Detroit
*HORNER, GEORGE A.....	Pontiac
*JEROME, JOHN J.....	292 Pennsylvania St., Detroit
*PARKS, GEORGE H.....	Houseman Bldg., Grand Rapids
*RUPLE, HARRY.....	Bronson
*SPRINGER, DURAND W.....	27 Owen Ave., Detroit
*SUTER, FRED A.....	1004 Union Trust Bldg., Detroit
*THOMPSON, MELVILLE W.....	2 Rector St., New York City
*TILTON, FREDERIC A.....	Security Trust, Audit Dept., Detroit
*TULLY, HENRY F.....	318 Majestic Bldg., Detroit
*TURRELL, LOUIS H.....	318 Majestic Bldg., Detroit
*WASHBURN, WILLIAM W.....	120 Collingwood St., Detroit
*WEBSTER, NORMAN E., JR.....	111 Broadway, New York City
*WIXSON, FRED.....	Penobscot Bldg., Detroit
Total, 23.	

### *Honorary Members:*

Ashley, Noble.....	Detroit
Bland, J. Edward.....	Detroit
Byrnes, Charles J.....	Ishpeming
Denby, Edwin.....	Detroit
Hart, Ray.....	Midland



## Members

<i>Peck, Archibald J.</i> .....	Jackson
<i>Warner, Fred W.</i> .....	Farmington
<i>Wedemeyer, W. W.</i> .....	Ann Arbor
<i>Zimmerman, H. M.</i> .....	Pontiac
Total, 9.	

### *Minnesota Society of Public Accountants.*

#### *Fellows:*

*DOUGHERTY, RICHARD.....	812-816 Plymouth Bldg., Minneapolis
*FRAME, W. A....	Farmers' & Mechanics' Savings Bank Bldg., Minneapolis
*FREEMAN, H. J.....	805 Germania Life Bldg., St. Paul
*GREEN, GILBERT.....	62 Metropolitan Bldg., Minneapolis
*HINCKLEY, NATHANIEL B.....	Endicott Bldg., St. Paul
*STEELE, J. GORDON.....	New York Life Bldg., Minneapolis
*TEMPLE, HERBERT M.....	602 Germania Life Bldg., St. Paul
*WEBB, RALPH D.....	830 Lumber Exchange, Minneapolis
*WENDELL, FRED H.....	Metropolitan Life Bldg., Minneapolis
Total, 9.	

#### *Associates:*

ANDERSON, J. J.....	910 Security Bank Bldg., Minneapolis
LEIST, GILEN A.....	830 Lumber Exchange, Minneapolis
LEVI, ARTHUR.....	805 Germania Life Bldg., St. Paul
MATTESON, JAMES S.....	Alworth Bldg., Duluth
ROBINSON, W. F.....	816 Palace Building, Minneapolis
SNYDER, C. W.....	805 Germania Life Bldg., St. Paul
SPIES, OTTO A.....	Germania Life Building, St. Paul
VAN KOERT, J. H.....	Monadnock Building, Chicago, Ill.
Total, 8.	

### *Missouri Society of Certified Public Accountants.*

#### *Fellows:*

*AMBROSE, H. G.....	903 Chemical Bldg., St. Louis
*BICKETT, WILLIAM PURCELL.....	Market Bldg., Chicago
*BOISSELIER, R. W.....	1223 Central Nat'l Bank Bldg., St. Louis
*BRODIE, A. B.....	54 William St., New York City
*BROWN, R. C.....	Third Nat'l Bank Bldg., St. Louis
*CRAWFORD, L. N.....	617 Massachusetts Bldg., Kansas City
*CROCKETT, J. D. M.....	Commerce Bldg., Kansas City
*DICKINSON, A. L.....	54 William St., New York City
*DUNN, HOMER A.....	30 Broad St., New York City
*FRASER, EDWARD A.....	1106 Commerce Bldg., Kansas City
*GREY, D. L.....	1320 Third Nat'l Bank Bldg., St. Louis
*KESSLER, E. G. H.....	611 Third Nat'l Bank Bldg., St. Louis
*KRIBBEN, B. D.....	1223 Central Nat'l Bank Bldg., St. Louis
*LUDLAM, CHARLES S.....	30 Broad St., New York City
*MAY, G. W.....	54 William St., New York City
*MENDENHALL, WILLIAM.....	606 Dwight Building, Kansas City
*MCCELLELAND, D. MCK.....	Jarvis Bldg., Toronto, Canada
*PELOUBET, L. G.....	42 Broadway, New York City
*PLANT, W. E.....	1419 Pierce Bldg., St. Louis
*POGSON, A. H.....	42 Broadway, New York City
*POGSON, P. W.....	42 Broadway, New York City
*RODWAY, S. H.....	611-12 3rd Nat'l Bk. Bldg., St. Louis
*SELLS, ELIJAH W.....	30 Broad St., New York City
*SMITH, F. A.....	806 Commerce Bldg., Kansas City
*SMITH, J. PERCIVAL.....	618 Victoria Bldg., St. Louis
*SPINNEY, W. K.....	New Nat'l Bk. of Commerce Bldg., St. Louis

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*TALIAFERRO, A. P.....	24 Broad St., New York City
*TRADER, A. M.....	903 Chemical Bldg., St. Louis
*TROMANHAUSER, N. L.....	1201 Commerce Bldg., Kansas City
*WATSON, ALBERT J.....	Commerce Bldg., Kansas City
*WESTERMANN, H. T.....	903 Chemical Bldg., St. Louis
*WHARTON, T. F.....	Moline, Ill.
*WILL, J. A.....	1312 Cent. Nat'l Bk. Bldg., St. Louis
*WILSON, RICHARD.....	1320 Third Nat'l Bank Bldg., St. Louis
*WINTERS, CHARLES A.....	1327 Commerce Bldg., Kansas City
*WRIGHT, FRANCIS A.....	521 American Bk. Bldg., Kansas City
*WRIGHT, FRANCIS A., JR.....	521 American Bk. Bldg., Kansas City
*YOUNG, STANLEY.....	1106 Commerce Bldg., Kansas City
Total, 38.	

### *Associates:*

*HENRY, FRANK R.....	2014 Morgan St., St. Louis
*HOUSTON, A.....	Third Nat'l Bk. Bldg., St. Louis
*RANKIN, W. W.....	Juanita Bldg., Dallas, Tex.
Total, 3.	

### *Honorary Member:*

STERRETT, J. E.....	54 William St., New York City
Total, 1.	

### *Montana State Society of Public Accountants.*

#### *Fellows:*

*ANDREWS, A. J.....	P. O. Box 1387, Butte
*ARTHUR, DONALD.....	P. O. Box 597, Butte
*BADGER, A. G.....	Belgrade
*BATTIN, W. F.....	P. O. Box 1387, Butte
*CRAWFORD, JOHN.....	404 W. Granite St., Butte
*CRUMRINE, E. M.....	P. O. Box 233, Butte
*HAY, S. GEORGE.....	Leonard Block, Butte
*MANGAM, W. D.....	P. O. Box 304, Butte
*PELOUBET, L. G.....	42 Broadway, New York City
*PHILLIPS, J. C.....	503 Mine Bldg., Butte
*POGSON, A. H.....	42 Broadway, New York City
*POGSON, P. W.....	42 Broadway, New York City
*RABAN, GEORGE.....	Great Falls
Total, 13.	

#### *Associates:*

BALDWIN, WINFIELD SCOTT.....	P. O. Box 1387, Butte
CURTIS, O.....	P. O. Box 1387, Butte
PATTERSON, W. D.....	221 Cumberland St., Brooklyn, N. Y.
SQUIRE, ROBERT RICHARD.....	P. O. Box 1387, Butte
WILSON, ROBERT IVES.....	P. O. Box 1387, Butte
Total, 5.	

#### *Honorary Members:*

Duniway, Clyde A.....	Missoula
Frank, H. A.....	Butte
Kelley, C. F.....	Butte
MacGinnis, John.....	Butte
Richardson, C. H.....	Butte
Total, 5.	

### *The Society of Certified Public Accountants of the State of New Jersey.*

#### *Fellows:*

*BARCLAY, WILLIAM D.....	30 Thirteenth Ave., Newark
*BEIDELMAN, WILLIAM H.....	784 Broad St., Newark
*BENTLEY, H. C.....	Simmons College, Boston, Mass.



# HASKINS & SELLS

## Members

*BESSON, AUGUST J.	171 Bowers St., Jersey City
*CAMP, SHERMAN P.	11 Triton Terrace, Newark
*CHEYNE, THOMAS	703 E. 27th St., Paterson
*COCKCROFT, WILLIAM	Red Bank
*CONANT, LEONARD H.	12 Hollywood Ave., East Orange
*COOPER, JOHN E.	205 Union Ave., Cranford
*COUGHLAN, MARTIN A.	5 Chapel St., Orange
*DAVIES, W. SANDERS	11 Broadway, New York City
*DUBOIS, FRANK G.	Union Bldg., Newark
*DUNDERDALE, FORBES	38 Park Row, New York City
*FLINT, JOHN	815 Second Pl., Plainfield
*FOOTE, ELIAL T.	74 Broadway, New York City
*GANO, EDWIN E.	Bound Brook
*GREENWOOD, HERBERT S.	44 Broad St., New York City
*HARTKORN, AUGUST	73 Madison St., Hoboken
*LEWIS, JAMES M.	522 Monroe Ave., Elizabeth
*LOMERSON, BENJ. O.	171 Jewett Ave., Jersey City
*LORD, CLARKSON E.	30 Broad St., New York City
*MACNEE, R. HAMILTON	25 Broad St., New York City
*MAGEE, HENRY C.	Market & Third Sts., Camden
*MC SHEEHY, B. E.	51 Weston Pl., Nutley
*MILLIGAN, WILLIAM A.	566 W. 162nd St., New York City
*NIELD, CHARLES F.	11 Broadway, New York City
*NIVEN, JOHN B.	30 Broad St., New York City
*OAKES, W. FOSTER	Roseland Ave., Essex Falls
*PABODIE, BENJ. F.	36 Spring St., Montclair
*PATERSON, STUART H.	12 E. 9th St., Plainfield
*ROBERTS, THOMAS E. C.	Vanderbeck Pl., Hackensack
*ROBERTS, THOS. CULLEN	56 Pine St., New York City
*SAMUELSON, FRANK, JR.	27 N. Midland Ave., Arlington
*SAWYER, WILLIAM T.	280 N. Broad St., Elizabeth
*SMITH, JAMES JASPER	302 Sherman Ave., Jersey City
*STORCK, GEORGE W.	Hasbrouck Hts.
*SUFFERN, EDWARD L.	149 Broadway, New York City
*TWIST, OLIN S.	7 Bloomfield Ave., Passaic
*WOODRUFF, FRANK H., JR.	30 Broad St., New York City
*WOODLING, EDWIN G.	302 Prospect St., Cranford
*WILKINSON, GEORGE	127 East Sixth St., Plainfield
*YALE, ELMER S.	180 Belmont Ave., Jersey City
Total, 42.	

### Associates:

ATWOOD, WILLIAM	321 Union St., Hackensack
*KENNEDY, FRANK E.	108 Preakness Ave., Paterson
*RUARK, JAMES F.	15 Sixth St., Weehawken
*WRIGHT, ARTHUR	Ridgefield Park
Total, 4.	

### New York State Society of Certified Public Accountants.

#### Follows:

*ADERER, ALEXANDER	225 Fifth Ave., New York City
*ALLEN, JOHN L. M.	280 Broadway, New York City
*ANDERSON, HUGH M.	90 Wall St., New York City
*ANYON, JAMES T.	25 Broad St., New York City
*ABRAHAM, JOHN W.	82 Beaver St., New York City
*ASHDOWN, EDWARD A.	34 Nassau St., New York City
*ATKINS, HAROLD B.	90 West St., New York City
*BANKS, HOWARD M.	150 Nassau St., New York City
*BARBER, EDGAR M.	641 Washington St., New York City

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*BELL, HERMON F.....	149	Montague St., Brooklyn, N. Y.
*BENDER, DANIEL H.....	261	Broadway, New York City
*BICKNELL, HENRY M.....	40	W. 24th St., New York City
*BIERMAN, DIEDRICK P.....	13	Park Row, New York City
*BOTH, CHARLES.....	68	William St., New York City
*BRADLEY, ROBERT S.....	30	Broad St., New York City
*BRINKERHOFF, EDGAR D.....	32	Broadway, New York City
*BROWN, RAYMOND C.....	30	Broad St., New York City
*BRUMMER, LEON.....	277	Broadway, New York City
*BUNCKE, HENRY C.....	165	Broadway, New York City
*BYRNES, THOMAS W.....	31	Nassau St., New York City
*CALVERT, JOSEPH F.....	123	E. 23rd St., New York City
*CAVANAGH, JAMES T.....	225	Fifth Ave., New York City
*CHAMPLIN, HARVEY S.....	715	Mutual Life Bldg., Buffalo, N. Y.
*CHAPMAN, EDWIN N.....	18	Wall St., New York City
*CHAPMAN, RICHARD M.....	150	Nassau St., New York City
*CHILD, CHESTER P.....	31	Nassau St., New York City
*CHURCH, GEORGE H.....	55	Wall St., New York City
*CLAIR, FRANCIS R.....	62	William St., New York City
*COCHEU, THEODORE, JR.....	100	Broadway, New York City
*COLLIER, HERBERT G.....	346	Broadway, New York City
*CONANT, LEONARD H.....	30	Broad St., New York City
*COOK, HENRY R. M.....	59th St. & Park Ave.,	New York City
*COOK, HOWARD B.....	30	Broad St., New York City
*CORNWALL, ARTHUR B.....	119	Nassau St., New York City
*CORWIN, HAMILTON S.....	30	Broad St., New York City
*CRAEMER, WILLIAM.....	165	Broadway, New York City
*CRANSTOUN, WILLIAM D.....	165	Broadway, New York City
*CULVER, ABEL I.....	11	Wall St., New York City
*CUTHBERT, ROBERT L.....	49	Wall St., New York City
*DAVID, HENRY C.....	43	Exchange Pl., New York City
*DAVIES, W. SANDERS.....	11	Broadway, New York City
*DAWSON, JAMES H.....	189	Montague St., Brooklyn, N. Y.
*DEAN, THOMAS B.....	129	Front St., New York City
*DENBY, EDWIN.....	400	Broadway, New York City
*DENNIS, WILLIAM H.....	87	Nassau St., New York City
*DILLINGHAM, ROBERT H.....	165	Broadway, New York City
*DILLMAN, ALBERT E.....	54	William St., New York City
*DIXCY, THOMAS B.....	30	Church St., New York City
*DOTY, ALBERT M.....	Union Trust Bldg.,	Baltimore, Md.
*DUANE, THOMAS W.....	280	Broadway, New York City
*DUNN, HOMER A.....	30	Broad St., New York City
*DUTTON, CHARLES C.....	54	Lafayette St., New York City
*EBBELS, CLARENCE L.....	31	Nassau St., New York City
*EDMONDS, DAVID J.....	56	Pine St., New York City
*ESQUERRE, PAUL-JOSEPH.....	32	Broadway, New York City
*FAIRBANKS, KENNETH.....	55	Liberty St., New York City
*FEDDE, ADOLF S.....	31	Nassau St., New York City
*FERGUSON, IRVING B.....	195	Broadway, New York City
*FERNALD, HENRY B.....	149	Broadway, New York City
*FERO, DERROY S.....	30	Broad St., New York City
*FIRTH, JOSEPH W.....	119	Nassau St., New York City
*FISCHER, AUGUST.....	1101	Ave. A, New York City
*FISHER, LEON ORR.....	165	Broadway, New York City
*FITZGERALD, RICHARD.....	50	Church St., New York City
*FORSTER, GEORGE F.....	15	Broad St., New York City
*FRASER, JOHN.....	302	Broadway, New York City
*FREEMAN, HERBERT C.....	30	Broad St., New York City



## Members

*FREEMAN, WILLIAM E.	57 Duane St., New York City
*FUCHS, CHARLES C.	30 Broad St., New York City
*GAYNOR, PHILIP B.	165 Broadway, New York City
*GIMSON, LAWRENCE K.	82 Wall St., New York City
*GLOVER, PATRICK W. A.	25 Broad St., New York City
*GOLDSBOROUGH, CHARLES C.	49 Cliff St., New York City
*GOODLOE, J. S. M.	30 Broad St., New York City
*GORDON, JOHN.	207 Broadway, New York City
*GOTTSBERGER, FRANCIS.	165 Broadway, New York City
*GOUGH, EDWARD C.	150 Nassau St., New York City
*GREENDLINGER, LEO.	13 Astor Pl., New York City
*GREENFIELD, FREDERICK M.	149 Broadway, New York City
*GREENMAN, HOWARD.	25 Pine St., New York City
*GRUNDMAN, OTTO A.	58 Post St., Yonkers, N. Y.
*GUNNELL, EDWARD.	165 Broadway, New York City
*GUNNELL, WILLIAM J.	80 Dun Bldg., Buffalo, N. Y.
*HAAG, JOSEPH.	277 Broadway, New York City
*HABERSTROH, FRED.	764a. Quincy St., Brooklyn, N. Y.
*HARNED, FRANKLIN M.	17 Shepherd Ave., Brooklyn, N. Y.
*HART, HAROLD B.	30 Broad St., New York City
*HECHT, CHARLES.	31 Nassau St., New York City
*HELLERSON, CHARLES E. W.	225 Fifth Ave., New York City
*HERINGTON, P. REGINALD.	105 W. 40th St., New York City
*HIFTON, EUGENE A.	443 Fourth Ave., New York City
*HIPWELL, HERBERT.	43 Exchange Pl., New York City
*HIRSCHFELD, ADOLPH.	29 Liberty St., New York City
*HOLDE, RUDOLPH.	964 Grant Ave., New York City
*HOOKE, EDWARD W.	80 Wall St., New York City
*HOTSON, ROBERT C.	366 Fifth Ave., New York City
*HOW, FRANCIS.	2 Rector St., New York City
*HOWARD, THOMAS P.	100 Broadway, New York City
*HUBBARD, LOUIS S.	76 William St., New York City
*HUDSON, PAUL H.	60 Broadway, New York City
*HUNTER, ALEXANDER.	60 Wall St., New York City
*HURDMAN, FREDERICK H.	165 Broadway, New York City
*HYANS, EDWARD M.	27 E. 22nd St., New York City
*IFFLA, GEORGE H.	225 Fifth Ave., New York City
*IMMKE, HENRY W.	347 W. 45th St., New York City
*JACOBSON, CHARLES.	320 Broadway, New York City
*JASPER, WILLIAM H.	105 W. 40th St., New York City
*JOHNSON, WILLIAM B.	277 Broadway, New York City
*JUDD, ORRIN R.	119 Nassau St., New York City
*KADISON, LOUIS.	35 Nassau St., New York City
*KARMEL, ABRAHAM.	165 Broadway, New York City
*KETCHUM, NELSON V.	253 Broadway, New York City
*KOEHLER, THEODORE.	1135 Broadway, New York City
*KUHN, MORRIS S.	320 Broadway, New York City
*LAFRENTZ, FERD. W.	100 Broadway, New York City
*LEIDERSDORF, SAMUEL D.	302 Broadway, New York City
*LINGELY, RICHARD T.	527 Fifth Ave., New York City
*LINK, CHARLES C.	Waldorf-Astoria, New York City
*LITTLE, G. ELLIOTTE.	141 Broadway, New York City
*LITTLE, STEPHEN.	141 Broadway, New York City
*LITTLE, WILLIAM P.	15 Broad St., New York City
*LOOMIS, JOHN R.	149 Broadway, New York City
*LOUDON, WOOD D.	68 William St., New York City
*LUBIN, LOUIS.	120 Broadway, New York City
*LUDEWIG, HERMANN E.	46 W. 24th St., New York City

# American Association Year-Book

*LUDLAM, CHARLES S.....	30	Broad St., New York City
*McCLEMENT, JOHN H.....	135	Broadway, New York City
*McCULLOH, CHARLES S.....	55	Wall St., New York City
*McHEFFEY, T. LEONARD.....	165	Broadway, New York City
*McKENNA, JAMES A.....	62	William St., New York City
*McWHORTER, CHARLES F.....	111	Broadway, New York City
*MACFALL, THOMAS J.....	22	E. 109th St., New York City
*MACINNES, DUNCAN.....	280	Broadway, New York City
*MACRAE, FARQUHAR J.....	68	William St., New York City
*MAAS, HERMAN C.....	52	Broadway, New York City
*MACKENZIE, CHARLES A.....	261	Broadway, New York City
*MAIN, FRANK W.....		Farmers' Bank Bldg., Pittsburgh, Pa.
*MANVEL, FREDERICK C.....	489	Fifth Ave., New York City
*MAPES, LESTER D.....	290	Broadway, New York City
*MARSHALL, FREDERICK.....	41	Park Row, New York City
*MASON, JARVIS W.....	100	Broadway, New York City
*MEYER, HENRY.....	225	Fifth Ave., New York City
*MEYER, MAX.....	13	Astor Pl., New York City
*MITCHELL, SIMPSON R.....	79	Wall St., New York City
*MORRIS, CHARLES E.....	30	Broad St., New York City
*MORSE, PERLEY.....	43	Exchange Pl., New York City
*MOULL, JOHN.....	71	Water St., New York City
*MOYER, MELBOURNE S.....	277	Broadway, New York City
*MYER, GEORGE W., JR.....	25	Broad St., New York City
*NELSON, GODFREY N.....	52	Broadway, New York City
*NICHOLSON, FREDERICK T.....	52	Broadway, New York City
*NICHOLSON, J. LEE.....	346	Broadway, New York City
*NILES, CHARLES E.....	111	Broadway, New York City
*NIVEN, JOHN B.....	30	Broad St., New York City
*OWEN, EDWARD.....	60	Wall St., New York City
*PACE, HOMER S.....	50	Church St., New York City
*PANGBORN, WARREN S.....	1	Liberty St., New York City
*PARK, JAMES.....	149	Broadway, New York City
*PATTERSON, EDWARD C.....	141	Broadway, New York City
*PATTERSON, SAMUEL D.....	141	Broadway, New York City
*PERRINE, LEROY.....	30	Broad St., New York City
*PHELPS, CHARLES D.....	143	Liberty St., New York City
*POTTER, ARTHUR G.....	30	Broad St., New York City
*POWELSON, JOHN A.....	30	Broad St., New York City
*PROBERT, EDWIN.....	320	Broadway, New York City
*PROUD, JOHN.....	80	William St., New York City
*QUERY, CHARLES R.....	1	Madison Square, New York City
*RICHARDSON, FRANKLIN W.....	346	Broadway, New York City
*RIGBY, PERCY B.....	1612	Ludlow St., Philadelphia, Pa.
*ROBERTS, THOMAS CULLEN.....	56	Pine St., New York City
*ROSE, ALFRED.....	56	Pine St., New York City
*RUCKER, ROBERT H.....	27	Pine St., New York City
*SACHS, DANIEL.....	848	Greene Ave., Brooklyn, N. Y.
*SAPER, J. ELBERT.....	35	Nassau St., New York City
*SARGENT, SIDNEY E.....	41	Park Row, New York City
*SCOVILLE, CLINTON H.....	84	State St., Boston, Mass.
*SEARLE, HARRY F.....	52	Broadway, New York City
*SELLS, ELIJAH W.....	30	Broad St., New York City
*SHEARMAN, WESTON J.....	576	Fifth Ave., New York City
*SHERMAN, HARRY B.....	50	Church St., New York City
*SIMSON, LESLIE N.....	120	Broadway, New York City
*SINCLAIR, ARTHUR B.....	15	Wall St., New York City
*SMITH, HENRY M.....	223	E. 23rd St., New York City



## Members

*SPARROW, JOHN R.....	60 Wall St., New York City
*SPRAGUE, CHARLES E.....	701 Sixth Ave., New York City
*SQUIRES, FREDERICK W.....	25 Broad St., New York City
*STARK, DANA F.....	Livingston Bldg., Rochester, N. Y.
*STEELE, LEWIS R.....	99 Nassau St., New York City
*STERN, ALFRED J.....	346 Broadway, New York City
*STONE, EDMUND N.....	220 Broadway, New York City
*STRATTON, ROBERT M.....	70 W. 52nd St., New York City
*SUFFERN, EDWARD L.....	149 Broadway, New York City
*SUFFERN, ERNEST S.....	149 Broadway, New York City
*TATE, DANIEL C.....	66 Broadway, New York City
*TEELE, ARTHUR W.....	30 Broad St., New York City
*TINSLEY, ALEXANDER L.....	61 William St., New York City
*TINSLEY, RICHARD P.....	26 Broadway, New York City
*TOWNSEND, FREDERICK C.....	31 Nassau St., New York City
*TREIBERM, FREDERICK A.....	261 Broadway, New York City
*ULBRICHT, RICHARD E.....	Banco Natl. de Cuba, Habana, Cuba
*VAUGHAN, ARTHUR S.....	30 Broad St., New York City
*VEYSEY, WALTER H. P.....	32 Nassau St., New York City
*WALKER, ALFERD P.....	49 Wall St., New York City
*WATSON, WILLIAM A.....	9 Richards St., Brooklyn, N. Y.
*WEBSTER, NORMAN E.....	111 Broadway, New York City
*WEISS, WILLIAM F.....	170 Broadway, New York City
*WEST, WILLIAM H.....	50 Pine St., New York City
*WHITTLESEY, WILLIS S.....	7 E. 42nd St., New York City
*WICKS, ALFRED H.....	302 Broadway, New York City
*WIEGAND, PETER C.....	223 Spring St., New York City
*WILKINSON, GEORGE.....	30 Church St., New York City
*WILLIAMS, CYRUS.....	680 Richmond Terrace, New Brighton, N. Y.
*WILMOTT, ARTHUR.....	100 Broadway, New York City
*WOHNSEIDLER, JOHN.....	17 Battery Place, New York City
*WOLFF, ARTHUR.....	1 Madison Ave., New York City
*WOLFF, GEORGE F.....	165 Broadway, New York City
*WOOD, J. FREDERICK E.....	87 Nassau St., New York City
*WYMAN, JOSEPH G.....	60 Wall St., New York City
Total, 218.	

### Associates:

*AGAR, NATHAN.....	25 Broad St., New York City
*BAUER, GEORGE F., JR.....	50 Church St., New York City
*BECK, WILLIAM C.....	19 Barclay St., New York City
*BENDER, JACOB.....	110 E. 101st St., New York City
*BRUNEAU, ARMAND L.....	277 Broadway, New York City
*CITRIN, MORRIS.....	1385 Stebbins Ave., Bronx, N. Y.
*CONKLING, W. H.....	165 Broadway, New York City
*DEAN, WALTER W.....	1 Madison Ave., New York City
*ECKES, PETER A.....	3 W. 29th St., New York City
*GREENSPAN, AARON.....	345 Madison Ave., New York City
*HAND, OLIVER K.....	68 Columbia Hts., Brooklyn, N. Y.
*HERGERT, PETER.....	61 Clifton Pl., Brooklyn, N. Y.
*HOLLOWAY, WILLIAM J.....	1411 Broadway, New York City
*HORN, GEORGE F.....	43 Exchange Pl., New York City
*HOWLAND, GEORGE W.....	366 Fifth Ave., New York City
*LEVINE, HYMAN B.....	14 Wooster St., New York City
*McLAUGHLIN, GEORGE V.....	33 Grand St., Brooklyn, N. Y.
*MAKAY, ALEXANDER F.....	80 William St., New York City
*MAY, JOHN H.....	380 South St., New York City
*MYERS, WALTER P.....	852 Broadway, New York City

## American Association Year-Book

*PABST, HENRY C.....	26 Broadway, New York City
*PARMET, MEYER.....	280 Broadway, New York City
*PERKINS, ALBERT M.....	305 Adelphi St., Brooklyn, N. Y.
*PHILLIPSON, BENNO.....	21 White St., New York City
*PITTLUCK, CHARLES H.....	1020 Second Ave., New York City
*SCHOENLANK, SIDNEY C.....	1129 Lefferts Ave., Richmond Hill, L. I.
*SEAL, ARTHUR.....	204 Front St., New York City
*SULZER, JOHN R.....	934 Seventh Ave., New York City
TACKMAN, JULIUS.....	Vark St., Yonkers, N. Y.
WINANS, DEKAY.....	514 Flatiron Bldg., New York City
*WOLFF, MARK.....	382 Lafayette St., New York City
Total, 31.	

### *Honorary Member:*

Johnson, Joseph French.....	32 Waverly Pl., New York City
Total, 1.	

### *Ohio Society of Certified Public Accountants.*

#### *Fellows:*

*BOOKWALTER, R. C.....	1002 American Trust Bldg., Cleveland
*BREWSTER, FRANK.....	Citizens' Bldg., Cleveland
*CASE, CHARLES H.....	1618 Ansel Rd., Cleveland
*CLARK, THOMAS R.....	49 Wall St., New York City
*COVERT, CHARLES A.....	710 Hayden Bldg., Columbus
*CUTHBERT, R. L.....	49 Wall St., New York City
*COY, W. A.....	707 New England Bldg., Cleveland
*DEAVER, WILLIAM.....	27 N. Monroe Ave., Columbus
*DEWAR, DOUGLAS.....	189 La Salle St., Chicago, Ill.
*DOOLITTLE, T. C.....	4215 Carnegie Ave., Cleveland
*DUNN, HOMER A.....	30 Broad St., New York City
*ELDER, DAVID.....	64 Wall St., New York City
*ELLIOTT, EDWARD S.....	Memphis Trust Bldg., Memphis, Tenn.
*ERNST, A. C.....	Schofield Bldg., Cleveland
*ERNST, T. C.....	Schofield Bldg., Cleveland
*FISHER, LEON ORR.....	165 Broadway, New York City
*FRANKLIN, BENJ., JR.....	760 Temple Bldg., Minneapolis, Minn.
*GANO, C. A.....	Traction Bldg., Cincinnati
*GOODLOE, J. S. M.....	30 Broad St., New York City
*HALL, JAMES.....	189 La Salle St., Chicago, Ill.
*HARCOURT, VIVIAN.....	522 Edificio La Mutua, Mexico, D. F.
*HAWKINS, N. A.....	Majestic Bldg., Detroit, Mich.
*HILLMAN, H. P. L.....	49 Wall St., New York City
*IMMKE, HENRY W.....	347 W. 45th St., New York City
*KAUFFMAN, J. H.....	Central Savings Bank Bldg., Canton
*KELLER, H. A.....	Hayden Bldg., Columbus
*KENWORTHY, A. W.....	115 Broadway, New York City
*KERR, DAVID S.....	11 Place d'Armes, Montreal, Canada
*LANGDON, W. E.....	Harrison Bldg., Columbus
*LEEMING, HAROLD F.....	30 Broad St., New York City
*LEISTER, B. P.....	920 South Market St., Canton
*LUDLAM, CHARLES.....	30 Broad St., New York City
*MCCONAUGHY, R. G.....	Second Natl. Bank Bldg., Cincinnati
*MCINTOSH, R. J.....	Nasby Bldg., Toledo
*MCKNIGHT, J. J.....	Hayden Bldg., Columbus
*MACKENZIE, W. R.....	Worcester Block, Portland, Ore.
*MACPHERSON, F. H.....	Union Trust Bldg., Detroit, Mich.
*MILLER, J. ALBERT.....	First Natl. Bank Bldg., Cincinnati
*MORRIS, D. C.....	827 Williamson Bldg., Cleveland



## Members

*NAU, CARL H.....	1101 American Trust Bldg., Cleveland
*PAGE, FREDERICK P.....	49 Wall St., New York City
*PATRICK, A. L.....	109 Columbus St., Elyria, O.
*RITCHIE, ALFRED A.....	25 Broad St., New York City
*RUSK, STEPHEN G.....	1102 American Trust Bldg., Cleveland
*SELLS, ELIJAH W.....	30 Broad St., New York City
*SHAFFER, F. J.....	221 16th Ave., Columbus
*SMART, ALLEN R.....	Monadnock Block, Chicago, Ill.
*SMITH, WILLIAM A.....	Memphis Trust Bldg., Memphis, Tenn.
*SPURR, THOMAS S.....	258 Washington St., Boston, Mass.
*STEELE, F. R. CARNEGIE.....	131 State St., Boston, Mass.
*STERRETT, J. E.....	54 William St., New York City
*SUFFERN, ERNEST S.....	149 Broadway, New York City
*TEELE, ARTHUR W.....	30 Broad St., New York City
*TEMPLE, HERBERT M.....	Germania Life Bldg., St. Paul, Minn.
*THOMAS, E. S.....	Union Trust Bldg., Cincinnati
*THROSSELL, FRED W.....	Citizens' Bldg., Cleveland
*WATSON, FRED.....	Union Trust Bldg., Cincinnati
*WHITE, F. F.....	49 Wall St., New York City
*WRIGHT, JAMES.....	64 Wall St., New York City
*WRIGHT, JOHN E.....	Fourth Natl. Bank Bldg., Cincinnati
Total, 60.	

### *Associates:*

*BLYTH, L. W.....	1220 Schofield Bldg., Cleveland
CLOUD, JOSEPH D.....	Traction Bldg., Cincinnati
*STOEHR, ALFRED.....	228-30 W. 4th St., Cincinnati
STUART, H. G.....	83 Beekman St., New York City
Total, 4.	

### *Honorary Members:*

Ellis, Wade H.....	Cincinnati
Firestone, Clinton D.....	Columbus
Foote, Allen Ripley.....	Columbus
Foraker, Joseph B.....	Cincinnati
Harmon, Judson.....	Columbus
Harris, Andrew L.....	Eaton
Herrick, Myron T.....	Cleveland
Total, 7.	

## *Oregon State Society of Public Accountants.*

### *Fellows:*

BERRIDGE, ARTHUR.....	224 Worcester Block, Portland
CHAMBREAU, J. J.....	Lumberman's Bldg., Portland
COLLIS, E. H.....	324 Worcester Block, Portland
FERGUSON, J. W.....	505 Board of Trade Bldg., Portland
*MACKENZIE, W. R.....	Worcester Block, Portland
RAE, A. C.....	McKay Bldg., Portland
RICHARDSON, J. Y.....	401 Lewis Bldg., Portland
THOMPSON, L. E.....	324 Worcester Block, Portland
WHITFIELD, WILLIAM.....	Commercial Club Bldg., Portland
Total, 9.	

## *Pennsylvania Institute of Certified Public Accountants.*

### *Fellows:*

*BATES, STOCKTON.....	Bulletin Bldg., Philadelphia
*BIRD, THEODORE H.....	415 Crozer Bldg., Philadelphia
*BORDEN, GEORGE W.....	832 Land Title Bldg., Philadelphia
*BOYD, HENRY T.....	925 Chestnut St., Philadelphia

## American Association Year-Book

*BROWN, LAWRENCE E.	1612 Real Estate Trust Bldg., Philadelphia
*CANNON, P. W.	222 S. Front St., Philadelphia
*CARLSON, JOHN L.	415 Crozer Bldg., Philadelphia
*CARSON, C. C.	232 S. Front St., Philadelphia
*CRANCH, RAYMOND G.	1503 Arch St., Philadelphia
*DICKINSON, A. LOWES.	54 William St., New York City
*FERNLEY, JAMES WHITAKER.	907 Betz Bldg., Philadelphia
*FLINT, WILLIAM, JR.	Drexel Bldg., Philadelphia
*GERDAU, HERMAN.	1218 S. 46th St., Philadelphia
*HAYES, HYLAND B.	140 S. 4th St., Philadelphia
*HEVERLE, RICHARD L.	907 Betz Bldg., Philadelphia
*JOHNSTON, D. VINCENT.	1612 Real Estate Trust Bldg., Philadelphia
*KENNEDY, R. E.	929 Chestnut St., Philadelphia
*KLEIN, WILLIAM G.	832 Land Title Bldg., Philadelphia
*LAWTON, WILLARD H.	1307 Real Estate Trust Bldg., Philadelphia
*LEWER, CHARLES.	411 Walnut St., Philadelphia
*LYBRAND, WILLIAM M.	55 Liberty St., New York City
*LYNN, JOHN R.	925 Chestnut St., Philadelphia
*LYNNE, WILLIAM SAREL.	Union Bank Bldg., Pittsburgh
*MAGEE, HENRY C.	Third & Market Sts., Camden, N. J.
*MANSLEY, R. H.	925 Chestnut St., Philadelphia
*MCDOWELL, WILLIAM T.	907 Betz Bldg., Philadelphia
*MCMENAMIN, NEAL.	832 Land Title Bldg., Philadelphia
*MILLER, W. HARRY.	1314 Commonwealth Bldg., Philadelphia
*MONTELIUS, W. E.	540 Drexel Bldg., Philadelphia
*MONTGOMERY, ROBERT H.	55 Liberty St., New York City
*MOXEY, EDWARD P.	1202 Real Estate Trust Bldg., Philadelphia
*MOXEY, EDWARD P., JR.	1202 Real Estate Trust Bldg., Philadelphia
*PUGH, JOSEPH M.	1831 Land Title Bldg., Philadelphia
*RORER, WILLIAM W.	907 Betz Bldg., Philadelphia
*ROSS, ADAM A., JR.	1421 Chestnut St., Philadelphia
*ROSS, T. EDWARD.	1421 Chestnut St., Philadelphia
*SELLERS, ALFRED L.	420 Mutual Life Bldg., Philadelphia
*SELLS, ELIJAH W.	30 Broad St., New York City
*SPAULDING, EDWARD C.	1215 Marion St., Scranton, Pa.
*STAUB, WALTER A.	1715 Union Bank Bldg., Pittsburgh
*STAUB, ELMER E.	Union Bank Bldg., Pittsburgh
*STEENSON, JOHN F.	118 S. 6th St., Philadelphia
*STERRETT, J. E.	54 William St., New York City
*STERRETT, W. W.	925 Chestnut St., Philadelphia
*STINGER, J. D.	1612 Real Estate Trust Bldg., Philadelphia
*STOCKWELL, HERBERT G.	833 Land Title Bldg., Philadelphia
*TODD, CHARLES W.	320 Land Title Bldg., Philadelphia
*VAUGHAN, JOHN.	413 Fourth Ave., Pittsburgh
*VOLLUM, ROBERT B.	907 Betz Bldg., Philadelphia
*WEISSINGER, CHARLES.	1624 N. 29th St., Philadelphia
*WILKINSON, GEORGE.	101 Chestnut St., Philadelphia
*WILSON, WILLIAM JEFFERS.	832 Land Title Bldg., Philadelphia
*WILLIAMS, H. D.	925 Chestnut St., Philadelphia
*WITHERUP, WILLIAM A.	2032 N. 20th St., Philadelphia
Total, 55.	

### *Honorary Member:*

Rebbek, Francis J. . . . . Pittsburgh, Pa.  
Total, 1.

### *The Rhode Island Society of Certified Public Accountants.*

#### *Fellows:*

\*BARNEY, FRED W. . . . . 55 Irving Avenue, Providence



## Members

*CARPENTER, HAMILTON L.	211 Westminster St., Providence
*GROSSMAN, CHARLES	Providence
*JENCKES, CHARLES S.	810 Industrial Bldg., Providence
*LAWTON, GEORGE R.	Box 159, Fall River, Mass.
Total, 5.	

### *Tennessee Society of Public Accountants.*

#### *Fellows:*

ANDREWS, THOMAS A.	1101 Tennessee Trust Bldg., Memphis
*ELLIOTT, EDWARD S.	310 Memphis Trust Bldg., Memphis
EWING, OTIS R.	719 Central Bank Building, Memphis
GRANNIS, H. W.	Lebanon
HARSH, HARRY L.	310 Memphis Trust Bldg., Memphis
HULL, ANDREW S.	1101 Tennessee Trust Bldg., Memphis
JACKSON, WILLIAM H.	710 Goodwyn Institute, Memphis
JAY, HARRY M.	1308 Memphis Trust Bldg., Memphis
JONES, HOMER K.	1217 Tennessee Trust Bldg., Memphis
LEATHEM, ERNEST F.	710 Goodwyn Institute, Memphis
METZ, J. G.	1308 Memphis Trust Bldg., Memphis
QUIGLEY, JAMES D.	1124 Argyle Avenue, Memphis
RICHMOND, JOHN L.	Whitney-Central Bldg., New Orleans, La.
SHANNON, CHARLES R.	Union & Middle Sts., Memphis
*SMITH, W. A.	310 Memphis Trust Bldg., Memphis
*STONE, JEFF. K.	310 Memphis Trust Bldg., Memphis
WATSON, W. T.	1391 Madison Ave., Memphis
Total, 17.	

### *The Texas Society of Public Accountants.*

#### *Fellows:*

AIKMAN, WILLIAM.	320 E. Houston St., San Antonio
ALBERTSON, B. F.	First Natl. Bank Bldg., Houston
BIERMAN, V. B.	9th & Commun Sts., Fort Worth
BYERS, CHARLES.	North Texas Bldg., Dallas
DOUGLAS, MARION.	Security Bldg., Galveston
GORDEN, H. E.	806 Wilson Bldg., Dallas
HURST, J. W.	Juanita Bldg., Dallas
KIDD, GEORGE, JR.	808 Polk Ave., Houston
LONGNECKER, CLARENCE.	City Natl. Bank Bldg., El Paso
MAPLES, D.	First Natl. Bank Bldg., Houston
MORRIS, MILTON.	Austin
PETER, W. P.	904 Praetorian Bldg., Dallas
POTTER, P. B.	824 Macon St., Fort Worth
RABORN, B. L.	Gibbs Bldg., San Antonio
SCHOOLAR, C. H.	Juanita Bldg., Dallas
THURSTON, T. A.	City Natl. Bank Bldg., El Paso
VAN ALSTYNE, A. A.	Galveston
Total, 17.	

### *Virginia Society of Public Accountants. (Inc.)*

#### *Fellows:*

*BARBER, EDWIN A., JR.	215 Mutual Bldg., Richmond
*BOUDAR, HENRY B.	1309 Grove Ave., Richmond
*BOUDAR, THOMAS.	1309 Grove Ave., Richmond
*EVANS, W. MCK.	1218 Mutual Bldg., Richmond
*HARE, THOMAS UPSHUR.	210 Withers Bldg., Norfolk
*HILTON, W. P.	303-4 Monticello Arcade, Norfolk
*LEITCH, E. AUSTIN.	Virginia Apartments, Richmond
*MAHON, GEORGE.	50-52 Ninth St., Lynchburg
Total, 8.	

## American Association Year-Book

### *Associates:*

*APITZ, JOHN WILLIAM.....	Va. Bank Savings & Trust Bldg., Norfolk
HUDNALL, CHARLES F.....	1113 E. Main St., Richmond
JONES, HARRY S.....	751 28th St., Newport News
*PEPLE, CHARLES A.....	302 Mutual Bldg., Richmond
*PULLEN, ALFRED MARVIN.....	1113 E. Main St., Richmond
*RAWLINGS, A. LEE.....	Law Bldg., Norfolk
*TOLLETH, WILLIAM ROBERTSON.....	Bank of Commerce, Norfolk
*TUFTS, ORRIE HANCOCK.....	307-308 Monticello Arcade, Norfolk
*WHITEHURST, GEORGE L.....	247 Church St., Norfolk
*WILSON, GEORGE B.....	1113 E. Main St., Richmond
Total, 10.	

### *Honorary Members:*

Chandler, Dr. J. A. C.....	Richmond
Craddock, John W.....	Lynchburg
Gammon, A. S. J.....	Norfolk
Lesner, Senator John A.....	Norfolk
Mann, Hon. William Hodges.....	Richmond
Stebbins, Joseph, Jr. (Hon.).....	So. Boston
Total, 6.	

### *Washington Society of Certified Public Accountants.*

#### *Fellows:*

*ARKLEY, GEORGE MCD.....	211 N. 9th St., Tacoma
*BUTLER, W. E.....	326 Leary Bldg., Seattle
*DICKINSON, A. LOWES.....	54 William St., New York City
*HERRICK, ANSON.....	Merchants' Exchange Bldg., San Francisco
*HERRICK, LESTER.....	Merchants' Exchange Bldg., San Francisco
*JONES, ARTHUR E.....	Care Marwick, Mitchell & Peat Co., Spokane
*LARSON, OLE S.....	Care Scandinavian American Bank, Seattle
*MCADAM, WILLIAM.....	22 Central Bldg., Seattle
*MEDLOCK, JOHN.....	1136 Henry Bldg., Seattle
*MOORHOUSE, E.....	742 Henry Bldg., Seattle
*QUIGLEY, A.....	222 Central Bldg., Seattle
*ROBERTS, L. A.....	Bureau of Inspection, Olympia
*ROBERTSON, JAMES D.....	1005 White Bldg., Seattle
*SHEDDEN, GEORGE.....	Savage-Scofield Bldg., Tacoma
*SHORROCK, E. G.....	222 Central Bldg., Seattle
*SMITH, HERBERT E.....	1005 White Bldg., Seattle
*WHITE, R. D.....	1136 Henry Bldg., Seattle
*WILLIAMS, C. M.....	New York Block, Seattle
Total, 18.	

### *Associates:*

*BARNES, A. W.....	Navy Yard, Puget Sound, Bremerton
*CULP, C. M.....	Care Natl. Bank of Commerce, Seattle
*LINZ, S. EDWIN.....	1010 Union St., Seattle
*SIMPSON, J. S.....	6 Bowes Bldg., Tacoma
Total, 4.	

### *Wisconsin Association of Public Accountants.*

#### *Fellows:*

BARRY, SHEPARD E.....	132 Grand Ave., Milwaukee
BROWN, JOHN H.....	1344 Wells Bldg., Milwaukee
BUCKNAM, L. E.....	188 22nd St., Milwaukee
GLADSTONE, CHERRY.....	633 Mills Bldg., Milwaukee



# HASKINS & SELLS

## Members

DANIELL, E. M.	767 42nd St., Milwaukee
KLIEGEL, GEO. W.	682 Island Ave., Milwaukee
SCHNEIDER, HENRY	612 Railway Exchange, Milwaukee
SMITH, C. J.	McCartney Bank Bldg., Green Bay, Wis.
WEIL, SAMUEL S.	612 Railway Exchange, Milwaukee
WRIGHT, WALTER H.	1121 Wells Bldg., Milwaukee
Total,	10.

### Honorary Members:

Burchell, D. Earle	155 Audubon Ave., New York City
Gilman, S. W.	Madison
Glicksman, Nathan	Madison
Scott, William A.	Madison
Spencer, Robert C.	Madison
Total,	5.

## HONORARY MEMBERS OF THE ASSOCIATION.

Johnson, Joseph French	New York
Kinley, David	Illinois
Meade, E. S.	Pennsylvania
Total,	3.

## RECORD OF MEMBERSHIP

in

The American Association of Public Accountants.

1896-1911.

Years.	Fellows.	Associates.	Societies, Honorary.	Association, Honorary.	Total.
1896	63	12	..	..	75
1897	75	14	..	..	89
1898	65	11	..	..	76
1899	67	13	..	..	80
1900	74	18	..	..	92
1901	87	25	..	..	112
1902	97	32	..	..	129
1903	103	37	..	..	140
1904	121	27	..	..	148
1905	494	93	..	..	587
1906	541	120	..	..	661
1907	573	124	..	3	700
1908	645	122	32	3	802
1909	724	107	39	3	873
1910	841	105	46	3	995
1911	949	95	46	3	1093

# TOTAL MEMBERSHIP

The total membership of the Association at present is as follows:

	Fellows.	Society Fellows of other Societies as well.	Associates.	Hon. Members of State Societies.	Total.
Fellow at Large, Original .....	65	..	..	..	65
Fellows at Large, elected since Jan. 10, 1905 .....	24	..	..	..	24
Associates at Large, Original ....	17	..	..	..	17
Associates at Large, elected since Jan. 10, 1905 .....	16	..	..	..	16
Alabama State Assn. of Pub. Accts.	8	..	3	..	11
California State Society of C.P.A.'s	42	..	4	1	47
Colorado Society of C.P.A.'s, inc..	25	..	6	..	31
Connecticut Society of C.P.A.'s....	14	7	3	2	26
Georgia State Assn. of Pub. Acct.	8	1	..	..	9
Illinois Society of C.P.A.'s .....	65	6	1	1	73
Kentucky Assn. of Pub. Accts. ....	12	..	..	..	12
Society of Louisiana C.P.A.'s ....	14	..	..	..	14
Maryland Association of C.P.A.'s..	20	2	7	6	35
Massachusetts Inc. Pub. Accts. of..	61	..	4	1	66
Michigan Association of C.P.A.'s..	20	3	..	9	32
Minnesota Society of Pub. Accts...	9	..	8	..	17
Missouri Society of C.P.A.'s.....	31	7	3	1	42
Montana State Society of P.A.'s..	13	..	5	5	23
N. J. Society of C.P.A.s of State of	39	3	4	..	46
N. Y. State Society of C.P.A.'s....	193	25	31	1	250
Ohio State Society of C.P.A.'s....	46	14	3	7	70
Oregon State Society of P.A.'s ....	9	..	..	..	9
Pennsylvania Institute of C.P.A.'s.	51	4	..	1	56
Rhode Island Society of C.P.A.'s..	3	2	..	..	5
Tennessee Society of P.A.'s .....	17	..	..	..	17
Texas Society of P.A.'s .....	17	..	..	..	17
Virginia Society of P.A.'s .....	8	..	10	6	24
Washington Society of C.P.A.'s....	15	3	3	..	21
Wisconsin Assn. of P.A.'s .....	10	..	..	5	15
Total. ....	872	77	95	46	1090
Association Honorary Members..					3
					1093



## PROCEEDINGS

### The American Association of Public Accountants, Twenty-fourth Annual Meeting, San Francisco, September 19, 20, 21

Tuesday Morning, September 19, 1911

THE CHAIRMAN: We are met in the 24th Annual Convention of the American Association of Public Accountants. It has been our very good fortune during the past few years to have the privilege of going from one point of interest to another, by which means we have become acquainted not only with the many advantages and pleasures which are offered by the various cities in which we have met, but also the further and higher privilege of meeting and seeing face to face those who are our brothers and the leaders in accountancy of each city. We have always felt in each case as though great combinations of opportunities and pleasures were being afforded us in the meetings in which we were assembled. We have not lost that feeling in coming here to San Francisco. Our very generous hosts, the California Society of Public Accountants, have taken much effort and must have labored hard to have provided for us all those pleasures which we have enjoyed in part, and those which are still in anticipation; and I take great pleasure this morning in presenting to you one of our members, who has been a Trustee of the Association for several years, and who represents the California Society in the absence of its President. I hardly need to introduce to you Mr. Webster. (Applause.)

MR. WEBSTER: Mr. Chairman, and members of the Association, I do not think you want to hear from me to-day, because we have an official representative to welcome you here. Governor Johnson is absent in the southern part of the State, but he has sent us a telegram saying that he has called upon Senator Boynton to represent him at the Convention. Senator Boynton will ably take the place of the Governor. He was President of the Senate during the last session of the Legislature, and we have a worthy representative of Governor Johnson in Senator Boynton, whom I now present. (Applause.)

SENATOR A. E. BOYNTON: Mr. President, Ladies and Gentlemen: It is rather unfortunate for you that the Governor could not be here, because His

Excellency is a man who in a few months has endeared himself to the people of this State, and has made the people of this State realize that there is such a thing as a square deal, whether it be for the people or the corporations. He has requested me to convey his greetings to you, gentlemen of the American Association of Public Accountants, and to extend to you a cordial welcome to California. But it is not necessary for me to welcome you, because the weather has already done that. You are fortunate, of course, in finding fine weather in San Francisco, but we have it all over the State. May I be permitted to assure you that I esteem it an honor to meet with you on this occasion.

You are in the midst, as you probably have found out, of a political campaign, and it is to be hoped that when that campaign is ended this city will continue, as it did in the years gone by, to grow and progress, and that the financial institutions of this city, in which you naturally are always interested, will come into their own.

During the last few years no profession has advanced more rapidly in importance in the United States than has yours. It demands clear thinkers, capable men of intelligence who must also possess the highest integrity, because it is to you that we are naturally compelled to look for the true financial condition, not only of our own business, but of the affairs as well of our partnerships, corporations, and municipalities. It is quite important to the people of a state or a commonwealth that you men and you women, should represent a profession as you do. That means much to the poor and the unprotected; because those who are thrifty and save a few dollars desire to invest them so that their savings may increase—possibly in the capital stock of a corporation, or in a well-secured bond; and before that investment is made they naturally desire to see a financial statement showing the assets and liabilities and earnings of the company. In nine cases out of ten that statement is prepared by a public accountant, or a firm of public accountants. How important, therefore, is it that such statements be absolutely clear and concise and, above all, self-explanatory and truthful, and a complete exhibit of the financial condition of that institution, be it a partnership or a corporation, or a municipality. When you are asked to color your statement, as you are almost daily—as I know something of that; I think I am secretary of somewhere between forty and fifty corporations, one or two of them being of the largest in this State—I say, that when you are called to color your statements or to pass a doubtful entry, it is up to you then to stand pat. It may cause you the loss of a particular employment, as I have known it to do in some instances—not that I have asked or discharged Price, Waterhouse, or anyone else for refusing to make an entry—but it is up to you, I say, to stand pat, because on that statement may depend to a large measure the savings of a lifetime of some man or woman; and if it is colored, perhaps, in a few years that person will discover that the corporation is not going to be able to pay dividends, or will not be able to take care of its bond interest; and in that event a grave crime has been committed against the individual stockholders of that corporation. And what is true



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of the corporation must be true of the municipality, because there the individual citizen is the shareholder, and he must of necessity call upon the accountant, the public accountant, to make statements, to examine the books and make reports that will let him know whether or not the funds of the city, municipality, even the state or the nation, are being properly spent.

When financiers want a statement to show a certain condition of affairs, they generally want it pretty badly, and nothing else will suit their purpose. It is then that the real test of your profession comes. Refusing to wink at some fictitious or doubtful entry may mean loss of employment, but how much better it should be so, than to have brought home to you in later years the realization of the fact that you have ruined many homes and perhaps caused the loss of human life by an incomplete exhibit of the financial affairs of some corporation.

You probably have your own work before you this morning. I do not care to take your time. We are glad to have you with us. California is always glad to welcome conventions and those who make them up. We are glad to have you spend a few days and visit our points of interest. We hope your convention will be a successful one from every point of view. We will be glad to have you with us again; you will always be welcome Mr. President and Gentlemen and Ladies. (Applause.)

THE CHAIRMAN: Will Mr. Davies, of New York and New Jersey, be good enough to express the thanks of the Convention to the Senator.

MR. DAVIES: Mr. President, Senator Boynton, on behalf of the members of the American Association of Public Accountants, I beg to thank you, sir, and the Governor and this State, for the hearty welcome extended to us, and also the California Society, for the generous program they have arranged for our enjoyment.

Coming as we do from all parts of the United States, we have been struck with the beauty of your State and its wonderful resources, and have been amazed at the new city you have built here, and we congratulate you on the energy and ability shown in doing so much in so short a time. As regards the State, we have been courteously treated on every hand.

The accountancy profession is steadily progressing, and I am sure that the business men fully realize the value of the services of the public accountant as not only one who audits his accounts and presents proper profit and loss statements and balance sheets in a concise and easily understood form, but one to whom he may in confidence speak of his business affairs with full knowledge that he will receive help and assistance in solving the knotty problems that confront, and in such ways the profession will have obtained a proper recognition and make rapid strides in the future.

My brother accountants who are visiting here wish me to extend to the members of the California Society our grateful thanks for the program they have arranged, and hope they may have a full measure of success and prosperity.

Again I thank you for your kindly and generous welcome. (Applause.)

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THE CHAIRMAN: The gentlemen who prepared with so much labor and thought our Constitution and By-Laws must have had an inspiration, because they very wisely omitted any order of business — those extremely rigid rules that control corporations. Owing to their timely forethought we are allowed a flexibility of conduct in our affairs, which we are going to avail ourselves of this morning. The California Society has offered us a very attractive program for the latter part of the afternoon and evening, and in order that we may be quite prepared to avail ourselves of that, we will do some of the business this morning in our leisure, as we now have it, that we might otherwise wait to transact this afternoon; and I feel quite sure that we will be able to adjourn the meeting this afternoon in full time to enter into the entertainments. There are but two matters of business that may properly come before us here.

SENATOR BOYNTON: Mr. President and Ladies and Gentlemen, I thank you and ask to be excused. (Applause.)

THE CHAIRMAN: The Chair will appoint as a committee on credentials, to whom all credentials will be immediately presented, Mr. Montgomery, Mr. Gore, and Mr. Kingwell.

THE CHAIRMAN: The first order of business, gentlemen, is the approval of the minutes of the last annual meeting. It has been our custom to approve those minutes as they have been printed in the year book. The Chair will entertain a motion to that effect now, so as to make a record to that effect.

MR. COOPER: I make that motion.

(The motion having been seconded, was formally presented and carried.)

THE CHAIRMAN: We will be prepared in a moment to take up the reports of officers. With your permission, gentlemen, we will present as the first report, a little bit out of logical order, the report of the Trustees, which I will ask the Secretary to read.

(The Secretary read the report of the Trustees, which will be found on page 106.)

Gentlemen, the President's report will be offered you, and the Secretary will kindly read it.

(The Secretary read the President's report, printed on page 98.)

THE CHAIRMAN: The Treasurer's report not yet being out of the hands of the auditors, it may be sufficient to say that after paying all our obligations there will remain a balance of about six or seven hundred dollars. The present balance is about twelve hundred dollars, and some appropriations were made yesterday which reduce it by some four or five hundred dollars.

The Committee on Credentials are not yet ready to report. There may be some other business to take up now. If there is any special business under the order of unfinished business, or of new business, I think that we may properly consider it at this time. There remain a few items which will come up for our regular consideration, but we are not quite prepared at this meeting to present them.



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THE SECRETARY: Would you care for the reading of the report made yesterday on Charities?

THE CHAIRMAN: Mr. Keller very kindly calls my attention to the fact that yesterday at the meeting of the Trustees a special committee on appropriations was appointed. The regular appropriation committee was not able to conclude its labors in New York, and the Chair appointed Mr. Keller, Mr. McKenzie and Mr. Cooper as a special committee. I merely mention this so that you may have proper information on that subject.

The Secretary was also good enough to recall my attention to the report which was read yesterday from the President of the Illinois Society of C. P. A., containing some very interesting information regarding the suggestions for a special committee appointed to consider the question of expenditures of various charities. I think very likely that those who were not present yesterday might be interested in hearing at least that part of the report, and I will ask the secretary to be good enough to read that portion, as we have the time to spare.

MR. COOPER: While we are waiting, can I say a word?

THE CHAIRMAN: Surely.

MR. COOPER: I do not desire to anticipate the work of the incoming executive committee, only I think that it is opportune and desirable that we should call attention to one particular phase of commercial activity that seems imminent, or which will be or should be considered immediately by the new executive committee. Recently I observed that Congressman Littleton of New York had taken upon himself the framing of an act for the control of commercial corporations. He had not formulated his sketch or bill in any way; but he did, through the public press, invite the coöperation of public bodies. I think that matter is of so much importance that I commend it to the executive committee that is about to be appointed for their immediate consideration, and the services naturally following of the executive officer. I deem it of so much importance that I do not think we should overlook immediate consideration of that point. Congressman Littleton is accessible from the headquarters of the Executive Committee; and at least we ought to be informed through that committee of the line of effort and what this bill contemplates, because if commercial corporations of an interstate character are to be controlled, now is our opportunity to get in line with what our friends on the other side of the water call the Companies' Act. I merely mention it because it seems seasonable.

THE CHAIRMAN: That is very important and will be undoubtedly duly considered. There is one matter before the meeting: I have a communication from Mr. Donald Arthur, the President of the Montana Society of Accountants, in relation to a matter of professional comity and ethics. He especially requests that it should be brought to the attention of the Convention, and I feel justified in simply calling your attention to it, and suggesting that it might with propriety be referred to the next committee on professional ethics. I suppose that is the proper committee to refer it to, and I will entertain a motion to that effect. It is wholly a question

arising out of a divergence of views as entertained by Mr. Arthur and some other members of this Association. Of course, it is not a matter that you could consider properly at an open meeting of this kind, but a committee might give it due consideration; and I think in courtesy to Mr. Arthur that it should be so done.

MR. COOPER: Mr. Chairman, I make a motion that in view of the fact that it is desirable to keep such questions as that from public expression or reading, it be referred to the incoming committee on professional ethics.

(The motion was formally presented and carried.)

MR. FORBES: In view of the fact that in several of the States, by reason of their size and the diversity of their interests, the State Society idea is deemed, perhaps not inadequate, but hardly satisfactory to all the various interests, it seemed to me that a special committee should be appointed by the President of the American Association to consider some form of by-law,—some general form of by-law which could be applied to all of the States, New York, Pennsylvania, Ohio, and some of the other States which are extremely large, and California, where the State Society, by reason of its numerical strength in one center, is hardly suited to answer the purposes for which the State Society should be formed. It seems to me that a committee should be appointed to prepare some form of by-law which could be applied everywhere where necessary, and it would be a good thing to do at this time.

THE CHAIRMAN: It is a very important matter which was brought directly to our attention yesterday before the Board of Trustees. Mr. Forbes' suggestion is that a special committee be appointed to consider and prepare a method which would be embodied in the form of a new by-law, under which separate and distinct accounting organizations in one state should be accorded equal standing in the American Association, without disturbing the proper state recognition; and if Mr. Forbes will prepare that in the form of a resolution a little later, and hand it in to the Secretary, we may consider that such a motion is offered, and general action is invited upon it. Is that seconded?

MR. DAVIES: Might it not be referred to the Board of incoming Trustees? The form of his motion takes rather the form that the Board of Trustees appoint such a committee.

MR. FORBES: It would seem that a committee from the body of the Association would be the proper sort of a committee.

MR. COOPER: Is it not encroaching upon the duties of the Committee on By-Laws and Constitution? If this matter, as Mr. Davies suggests, is to be referred to the incoming executive committee, they will make the reference to the proper committee.

MR. FORBES: I think this particular matter has never arisen on any occasion.

MR. COOPER: I think it is a deduction from Mr. Sterrett's suggestions of yesterday. That becomes a feature of the Constitution of this American Association, and I think the proper reference is to the committee for their consideration.



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THE CHAIRMAN: Mr. Forbes' suggestion was that a committee should be appointed to consider this question and devise a method under which such recognition might be given. The By-Law will embody the result of the committee's suggestion, probably, and that would of course come within the province of the Committee on By-Laws. The consideration of the question, the determination of a proper method of operation, might very properly, in the opinion of the Chair, be a matter for a special committee to take up; and when it has made its report the Committee on By-Laws might very properly frame the result of these deliberations.

MR. FORBES: That was my idea.

MR. STERRETT: There is just a little difference in our understanding of the real purport of Mr. Forbes' suggestion. It would, of course, be entirely proper to refer to the Committee on By-Laws of this Association any proposal to change the By-Laws of the American Association; but if I understood Mr. Forbes correctly, his idea was rather that this committee might draft what we might term a model for the State Societies to be presented by this Association for their adoption in whole or in part, if any State cared to avail itself of such a model. I may be entirely wrong in that, but that is the point.

MR. FORBES: That is exactly the point I have in mind.

MR. WILLIAMS: I think it would be well to formulate a form of By-Law, and I second that motion that a committee be appointed to draft a model form of by-law for the State.

THE CHAIRMAN: The motion before you will be put in proper form. The motion is for the appointment by the Chair or by the incoming president of such a committee to take up the consideration of this matter, and to embody as part of its report such suggested by-laws as would provide a means whereby in the several states in which this question may arise a means will be afforded to accord the proper and equal standing to the various societies therein. That motion is seconded and is before you. Any further discussion?

MR. VICE: I wish to know what is intended by that motion? Is it the idea that by-laws should be drafted and a model law prepared, which, as I understand it, is to be adopted, and then afterwards to be forced upon the societies so that they must vote for it? Or can they have the same liberty as now and adopt any kind of a by-law? Will it be obligatory to adopt that by-law that you are speaking about?

THE CHAIRMAN: In answer to that gentleman's question, if the deliberations should result in its final form in the adoption of a new by-law of the American Association, then, of course, the Association will be bound thereby. The procedure will probably be that a by-law will be framed which will permit this association to recognize two or more organizations of accountants existing in any one state, provided in other respects those organizations should be admitted by the Association to its membership; that is to say, it will be brought before the Association succinctly whether or not they shall admit a special organization. Our present By-Laws might permit us to do so; but apparently we are not

disposed to act upon that theory. Such a committee would, very properly, give very serious attention to this question, which already exists, as you all know, in several states.

Mr. Cooper, will you take the Chair, please.

A DELEGATE: Question.

THE CHAIRMAN: The question is one of miscellaneous remarks and comments on a subject that interests the profession, while we are waiting on the Committee on Credentials.

The Secretary was requested to read to the Convention that part of the report from the Illinois Society appertaining to the charitable organizations. He has not sent up the paper, but I think the Chair is sufficiently familiar with the conditions to be able to give it to the members in brief. The point was this, that the Association of Commerce of Chicago realized the haphazard way in which charitable organizations of Cook County, particularly, were handled.

We have what we call the United Charities, which embraces a number of charities, and it kept an intelligence bureau for the purpose of determining whether those charities were of worthy condition or whether they were simply of a casual and incidental character. Now, the United Charities were, in course of time, fostered by the Association of Commerce. The Association of Commerce formed a regular committee for the consideration of charitable matters of the city. That committee worked very industriously in gathering and collating all the data that they could in regard to charitable organizations forming the United Charities Association; and one of the first points that it realized was that it needed the coöperation of the accountants in order to verify what was stated. That being so, they invited the President of the Illinois Society to become one of the members of that committee; and I might say that the leading firms of accountants of Chicago also are members of the Association of Commerce. Thereupon the problem became one of how to do this work, not from the standpoint of revenue of the accountants, but from the standpoint of our duty to the State, and it was determined to put the basis of auditing services upon a mere cost, and then it became also the problem how to determine who is to do the auditing. The standing of the Association which had an effective representative organization, and which had their own auditor, was undisturbed as long as the auditor was a man of standing in the profession; but those that desired to be registered in the Association of Commerce otherwise, were to be subject to the supervision of this committee; and this committee sanctioned a schedule of the various firms of accountants in Chicago who desired to aid in this work, and by lottery they were arranged in numerical order. Thereupon, each charitable organization, at the end of its fiscal year, notified this committee and they determined through the secretary of the Illinois Society which firm of accountants was to conduct that audit. As I said before, the numbers being arranged by lottery, if for any reason the firm could not attend to it, it devolved upon the next number.

It was just to illustrate a systematic way of handling a very difficult



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problem in large cities, and I think it is going to result in an effectual control of charitable effort, and release men of means from the burden of determining where the proper place was to put their gifts. That is the essence of what our President has invited an expression about, and it is only done, so as to commend the movement to other cities.

MR. WYMAN, of Boston: Not to transgress upon the time of the delegates, I would say that at home I found it a very good idea to make it a fixed rule to donate my fee, as I have done for eleemosynary charitable institutions, and I find there is no question as to charges, and it has worked very well, without burden to anyone else.

THE CHAIRMAN: The gentleman expressed himself on a point that was mentioned in the report; that is, the dedication voluntarily of his fee. I might say for the information of the meeting that our schedule is one-half of the regular single accountants' rates, which is \$15; so that it is mere cost, and it demonstrates to the men of means in the city our desire to help them in matters where there is reasonable doubt.

The meeting is open for discussion of any other subject while we are waiting.

The Committee on Credentials not being prepared to report, we will let their report go over until the afternoon session. Unless there is some special business, a motion to adjourn is in order.

(On motion duly seconded and carried, an adjournment was here taken.)

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**Tuesday, September 19th, 1911, 2 p. m.**

THE CHAIRMAN: The meeting will please come to order. It is one of the happy incidents of our annual gatherings that in the cities we visit the gentlemen of distinction have been so cordial and kind in the assistance they have afforded us from time to time to make our gatherings interesting and instructive through the presentation of papers and the addresses they have been good enough to deliver to us.

We feel ourselves indebted this afternoon to the Committee on Arrangements for their judgment and their efforts in securing the services of a gentleman of distinction who will present to us a paper this afternoon on a subject of which we may say we know nothing whatever, but which we should be greatly interested in—on "Public Accounting in Antiquity." To-day we shall have the privilege of listening to a gentleman who, at some sacrifice to himself, because of the multiplicity of his engagements, has consented to come before us, so that we may personally see him as well as enjoy the subject matter of his paper. I have the pleasure of introducing Mr. John P. Young. (Applause.)

MR. YOUNG: I have not been able to explain to myself why I have been invited to speak to you gentlemen, except that when I started out in life I went to a so-called commercial college to learn bookkeeping, and the chief thing that I learned was that they do not teach bookkeeping there, and that you have to learn it otherwise. In selecting a subject I have

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hit upon that mentioned by your President, and as it was a subject not generally spoken of I thought it was a safe one for me to follow.

(Mr. Young here read his paper, which was followed by hearty applause.)

THE CHAIRMAN: We trust that Mr. Young will realize that he receives our gratitude, and that it was for us an exceedingly interesting paper. Never before have we had such information submitted to us in such a delightful way. We are greatly obliged to you, Mr. Young. (Applause.)

I am quite sure that this paper has engendered a good many thoughts in our minds, and no doubt many of us will want to enlarge somewhat upon some of the points that Mr. Young has covered. Mr. Geijsbeek will be good enough to follow this paper with some thoughts and suggestions on the paper, and then the meeting will be thrown open to as many of you as care to take part.

MR. GEIJSBEEK: Mr. Chairman and Gentlemen: Last evening Mr. Webster was kind enough to hand me this paper, and asked me to make such suggestions as I could, and he said, as I tried to get out of it, that it was by virtue of being the dean of a school of commerce or the State Examiner, or by virtue of some other title; but I wish at the outset to say that I hoist the flag of ignorance. I admit my defeat as far as this scholarly paper goes. I have read considerable and I have tried to cover some of the ancient histories in order to discover therein anything more than our friends, MacPherson and Brown, have given; but the time has not permitted me to do so. I can say that this paper, in my opinion, is a most scholarly, learned paper, evidencing an enormous amount of reading and careful research. I feel that it is a very valuable acquisition to accountancy literature and to our libraries. It should be placed ahead of the histories of accountancy that now exist, such as MacPherson's and Brown's. It should be an introductory chapter to "Brown's History of Accountancy," which was written in commemoration of the Fifty-Year Jubilee of the Scottish Society of Accountants. That book practically begins in the year 1580. Lucas Paciola DiBorgo de Santa Sepulchra, the Italian Monk, wrote the first book on bookkeeping. In the introduction of this book he stated very carefully that he was not writing anything new, but that he was simply aiming to have his successors follow in his footsteps from what he had learned, because he himself could not find any writing on the subject.

That book does not illustrate the forms of bookkeeping, but elaborately explains them. About forty-five years after that, in 1625, another book was written on the subject, also by a monk. As you know, if you have read the histories, at that time bookkeeping was well-defined, and in that book we find forms of ledgers, journals, cash books and other books similar to those we have to-day.

I feel I have learned a good deal by the reading of this remarkable paper of Mr. Young's; and I also feel that it becomes our duty to place our friend, Cicero, as an honorary member of this Association. (Applause.) As far as opening the discussion is concerned, I do not feel capable of



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that; but I do feel that we ought to honor Mr. Young by giving him a rapid-fire of questions on some subjects that may not be clear to you.

THE CHAIRMAN: We would be very glad to hear from any other gentlemen present. Mr. Young was obliged to leave immediately upon the reading of this paper. His paper was very suggestive.

MR. MONTGOMERY: Is there anyone representing Mr. Young?

THE CHAIRMAN: I cannot answer that, Mr. Montgomery.

MR. MONTGOMERY: Should there not be a report of the Credentials Committee?

THE CHAIRMAN: Yes; that is quite true.

MR. RUCKSTELL: This very scholarly paper of Mr. Young has shattered one ideal of accountancy, and that is, we consider ourselves one of the youngest of the professions, the law one of the oldest; and were it not for the fact that Mr. Young has referred to Cicero in connection with ancient accounting, we might feel that we were older than the law. The paper has brought out that fact, that we were at least co-existent with the law, going back to Roman times. Of course, we all realize that in ancient times they must have had some method of keeping accounts of transactions between ancient men or among ancient peoples; particularly among the Phœnicians, whose traffic in all parts of Europe is well-known to all students of history; but it is the first time that I, who have read considerable, was apprised of the fact that there was a systematic method of accounting allied very closely to our modern methods, in those ancient times.

MR. WENZELBERGER: Would it be in order that Mr. Young be made an honorary member of the American Association because of his services? I am in doubt whether that motion is in order.

THE CHAIRMAN: Such a motion would not be in order as there is no provision of our By-Laws for honorary members.

MR. MONTGOMERY: I am not entirely sure that Mr. Young has proved his assertion that accounting, as we understand it, was practiced by ancients. I have agreed with everything and would say nothing but in admiration of his paper. It is, I think, one of the most interesting papers we have ever listened to; and yet, analyzing it as carefully as I could as he went through, I could not see that there was very much proof that at that time they had much more than some sort of an ordinary record, perhaps, of receipts and disbursements; but as for accounting or accountancy as we understand it, or the practice of the profession of public accountancy, I for one would not like to feel that we were going on record as expressing the belief that our profession is one of the ancient professions. I think that it would be too bad to feel that it had made so little progress during the Middle Ages, and during the last two or three hundred years perhaps, if it did really have a substantial start in antiquity. On the train coming out I wrote a memorandum in connection with an address I have to deliver and I stated what I believed to be the fact in the case, that our work as professional men and practical public accountants lay almost in a virgin field at the present time, that we have

no precedents as professional accountants. If I am wrong in my interpretation of the paper, I think this would be a good time to hear from others.

MR. COOPER: The remarks made by Mr. Montgomery are very true and pertinent to the impression I retained from Mr. Young's address, but the most pointed feature of that impression was this, that while Mr. Brown in his book was rather modern in his description of the present calling, and more recently where others followed similar lines, it seems to me that we are rather inclined in such research to the word "actuary" as a distinct and separate proposition, distinct from what was known by the ancients or in the Middle Ages as either an actuary of a solicitor. Is it not a fact that there has a subdivision come about by the multiplicity of our activities derived from both those points? The French to-day rely on the actuary. The English, until fifty years ago, determined their results by solicitors largely; and in the same way to-day we begin to realize that the general term "Civil Engineer" is a broad classification that deserves some differentiation, as was recently demonstrated by Mr. Brandon; there is the hydraulic engineer, the electrical engineer, the structural engineer, and there is the efficiency engineer. It seems to me that we are gradually verging on distinct classifications of the several callings. I would state in connection with accounting, my knowledge of what previously existed prior to the general establishment of public accountants, and tell of the work of my forebears; the solicitors worked largely in the way of accounting, and so I do not think that we can say that we have a new profession. We have simply made a division. As to the research that Mr. Young has evidenced by his paper, I think it is a wonderful demonstration, and an illuminating lesson to us, and we should lower our heads in modesty and not be so ready to plume ourselves upon the establishment of a profession. The profession has existed, but in a minor way.

THE CHAIRMAN: We would like to have the report of the Committee on Credentials submitted to us. Mr. Montgomery, will you please read the report.

(Mr. Montgomery read report of Credentials Committee.)

THE CHAIRMAN: The report is received. If you care to pursue the consideration of Mr. Young's paper further, we will be very glad to hear anything that you have to say. Personally, while Mr. Montgomery was reading his report, it occurred to me that I had been exceedingly careless in not saying that all gentlemen present, whether delegates or not, will be entitled to the privilege of the floor in the consideration of any paper or discussion of that kind. Please consider that the floor is yours and the privileges of the meeting are extended to you.

FROM THE FLOOR: May I offer a remark in connection with this paper? I wish to say that some twenty odd years ago I had occasion to make considerable research into the history of accountants. My research practically confirmed everything Mr. Young's paper has stated. The one fact that impressed me most in that research was the fact of the origin of the



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debit and credit method, that is, that there should be or must be as many debits as credits in order to have a proof of any accounting. In the authority I read it was stated that this originated with one of the traders of Tyre. He was the commander or, rather, the manager of a business venture in foreign lands, and in order to keep an account of his trip he designed by accident the theory of making the debits and credits. He kept the accounts, however, on the surplus sail cloth that he had aboard the ship. The method of recording that I do not know. I think that, perhaps, is the first mention of the theory of debits and credits in accounting.

FROM THE FLOOR: May I ask about the date of that period that he speaks of?

FROM THE FLOOR: My reading was twenty odd years ago. I have forgotten the particulars.

MR. COOPER: The point of the gentleman's remarks—I draw that inference from it—is to indicate that there is a question of the common use of paper in accounting; is that the point? The point does not seem to be borne out from the fact that the commander used the paper, because we know how short the supply of paper generally is. If there is any comment upon that feature of Mr. Young's paper, we should be very glad to hear it. I did not know for myself that paper was in common use before the Christian era.

MR. BOISSELIER: Mr. President, I think the paper of Mr. Young is the most excellent one that I have heard for many a day. There is just this one thing, I am glad to hear that there are people in this world now that do not say that the Christian era was the only civilization on this earth. That has been the curse of our civilization, that we have always thought that the old people did not know anything, that they were ignorant, that they did not want to learn. Have not our architects learned from the Romans and from the Greeks? Now, cannot we learn from the Egyptians? Do we know to-day how they built the Pyramids? Why should we conclude then that the Egyptians or the Romans or the Grecians or the Phœnicians did not know how to keep accounts? It is an arrogance that is beyond me. This world of ours, this earth, has existed for millions of years. Races have risen in this world and have gone down. Civilization has been here about 5,000 years, and millions have gone up to the highest civilization and gone down. You see that in our whole history. You see how Spain was at the top of civilization and where it is now; how Italy was at the top of civilization and where it is now; and so one nation after another rises to the top and goes down. That is the natural course of evolution. Therefore, I think, instead of believing that we are the only ones that invented accounting, we ought to be glad to admit that the ancients knew as much as we do, and not stand here and say that we discovered it. I think this paper shows and proves that there must have been some way of accounting, as they did as much business as we do to-day, only they did it in a different way. I am glad to have heard that paper and I hope we will have more of them.

THE CHAIRMAN: Are there any further remarks upon the subject of

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Mr. Young's paper, or any subject that may be interesting at this time? We have an appointment for 4 o'clock and in justice to our host, while we would like to hear from all those that have something to say, we wish to adjourn promptly. A motion to adjourn will be in order.

(On motion duly made, the meeting adjourned.)

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### **Wednesday Morning, September 20, 1911**

THE CHAIRMAN: Gentlemen, you will please come to order.

We have been fortunate enough to dispatch nearly all our routine business, and so far as the Chair knows all the committees have reported, and their reports are filed. The Committee on Credentials offered its reports yesterday afternoon, and we therefore can proceed with the next order of business, which is the election of officers and trustees and auditors for the ensuing year. The officers who are to be elected are, President, Treasurer and three trustees to fill the vacancies arising through the expiration of the terms of office of Mr. Sells, of New York, Mr. Montgomery, of Pennsylvania, and Mr. Hall, of Maryland. Ballots will be distributed, and the Chair will appoint two tellers, Mr. Brace of California, and Mr. Trader of Missouri, who will please serve as tellers; and I will ask Mr. Webster if he will kindly take the Chair.

THE CHAIRMAN: The first business is the election of President. Nominations are in order for president, and I will call the States.

THE SECRETARY: Alabama, California,—

MR. BARBER: Mr. Chairman, on behalf of the California Delegation, and at their unanimous request, in the lack of a better mouth-piece, I wish to present to the Convention a nomination which I wish that I were more adequately able to reinforce by statements of many of the reasons for its merits and advantages. That we do not know the gentleman better is our misfortune, and the misfortune of the distance at which we live from the rest of you, it being a well-known geographical fact that the West is very much farther from the East than the East is from the West.

Therefore, if we want to have the pleasure of seeing you, gentlemen, and becoming acquainted with you, of learning from you, we have to go East. At this time we have you in our own bailiwick; and I wish I could tell you how much pleasure it is to have you—every one of you. We have looked forward for a long time to it; and I want you to understand that the realization has been fully up to the expectation. As I say, I wish that some one were speaking for our delegation who could do the subject more justice. We feel that we are voicing the sentiments of a large majority of you gentlemen. We feel that we are not only doing the gentleman himself honor or, rather, justice; but that we are highly honored ourselves; and we know that we are very greatly pleased to be able to present to you for the office of President of the Association, the name of Mr. Edward L. Suffern. (Applause.)



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MR. DAVIES: New York wishes to express its second for Mr. Suffern for President.

THE SECRETARY: Colorado, Connecticut, Georgia, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, Wisconsin, fellows at large—none.

THE CHAIRMAN: Will some one make a motion that the Secretary be instructed to cast the ballot?

MR. STERRETT: I make the motion.

MR. DAVIES: I move you, sir, that the Secretary of the American Association of Public Accountants be instructed to cast the ballot of all the delegates present for the election of Edward L. Suffern as President.

THE CHAIRMAN: That is already done. The tellers report that the total vote of the Society has been cast for Mr. E. L. Suffern for President. I will appoint Mr. Barber and Mr. Davies to form a committee to inform Mr. Suffern of his election, and to bring him into the meeting.

MR. BARBER: Are we to telephone or telegraph?

THE CHAIRMAN: My instructions are to bring him; I do not care how.

In the meantime I would like to ask all those who desire to take part in the Golf Tournament on Friday to leave their names with the Registrar, and also those who would like to go out and spend the day at the course irrespective of playing or not; and if any golfers are here that have not brought their clubs, it can be arranged that they get clubs at the Golf Club. The San Francisco Golf and Country Club at Ingleside will want to know how many are going, to decide whether we want a special car or one or two automobiles, according to the number.

(President Suffern was here escorted into the hall amid applause.)

THE CHAIRMAN: I have great pleasure in informing you that you have been elected as President of the American Association for the ensuing year, and I hope that under you the next year will be as successful as the one just past.

(Mr. Webster here relinquished the Chair and President Suffern resumed it.)

THE CHAIRMAN: I will say to you, gentlemen, that of course you know I feel deeply grateful to you for your kindness and consideration. I think it is to be regretted that custom sometimes imposes an undue rigidity of practice, and the custom seems to be well established that the man who has served for one year shall be re-elected for a second term. I quite realize that it is in obedience to this established custom that I stand here at this moment in this attitude. I think that if I were to enter a plea concerning my service for the last year, it would be the plea of confession and avoidance, not precisely in the legal definition of those terms, however, but in a broader way, that would involve a confession of many failures and disappointments, that my efforts and my ability have not been equal to the opportunities and to the duties; and it has also been avoidance in respect to this at least, that I have endeavored to avoid

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mistakes as I have seen them, and to try to carry on the affairs of the association so far as my own feeble efforts are concerned in what I believe to be in accordance with the best interests of the Association at large, and the clearest reflection of your own judgment and views.

I have to acknowledge, and I do it very gratefully, my debt to the support which I have received from the trustees as a body and more particularly from the executive committee, who have always, all of them, been willing to give me the benefit of their constant counsel, advice and judgment, and I have been delighted to realize the heartiness and what I believe was the sincere cordiality which has characterized our relations. I have been fortunate in this that I have been able to keep in communication with our previous presidents, Mr. Sells and Mr. Sterrett, and the telephone bells on their desks have rung very frequently during the past year when I have asked them to assist me with the benefit of their advice and counsel. I am also fortunate in this, that Mr. Loomis' office is only two removes from my own office, and I have had likewise the benefit of his judgment and experience. As for the future, I cannot make any promises, excepting my very best, most earnest efforts, and I hope and sincerely trust that during this year the Association will make continued progress. Thank you. (Applause.)

We will now proceed to the election of Treasurer. Nominations are in order.

MR. KELLER, OF OHIO: It gives me great pleasure to nominate a man whom we all know, Mr. Fernley, of Pennsylvania.

MR. STERRETT: It gives me great pleasure in seconding the nomination.

MR. COOPER: I feel the same as Mr. Sterrett does in seconding the nomination of Mr. Fernley.

MR. WEBB: I move the nominations close.

(The motion was seconded, formally presented and duly carried.)

MR. WEBB: I move the secretary cast the vote of the members for the nominee.

(The motion was seconded, formally presented and duly carried.)

MR. BRACE: Mr. President, the tellers find one ballot cast for Mr. Fernley.

THE CHAIRMAN: Mr. Fernley is declared elected, a unanimous ballot having been cast for him.

We will now proceed to the nominations of trustees to take the place of Charles O. Hall of Maryland, R. H. Montgomery of Pennsylvania, and E. W. Sells of New York.

MR. DAVIES: As delegate of the New York State Society, I have the pleasure of re-nominating Mr. Sells for that position.

MR. KELLER: It seems necessary in order to comply with the forms, to place in formal nomination Mr. R. H. Montgomery. I think you all know him so well that you will all vote for him anyway.

MR. JOPLIN: The State of Illinois takes a great deal of pleasure in presenting to this Convention as a nominee for the office of Trustee the name of Mr. Seatree, whom we have found to be a very valuable member



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of our society, and whose service to this organization we feel will be equally efficient.

THE CHAIRMAN: Nominations are before you for Trustees.

MR. WEBB: The State of Colorado desires to second all the nominations.

MR. GORE: The State of Illinois takes pleasure in seconding the nomination of Mr. Sells and Mr. Montgomery.

MR. KELLER: I take pleasure in moving that the nominations be closed. (The motion being seconded was formally presented and carried.)

MR. WEBB: I move that the secretary cast the unanimous ballot of the Society for the nominees.

(The motion being seconded was formally presented and carried.)

MR. BRACE: Mr. President, the tellers find one ballot each cast for Mr. E. W. Sells, Mr. R. H. Montgomery, and Mr. W. E. Seatree, for Trustees.

THE CHAIRMAN: One unanimous ballot having been cast for the three gentlemen whose names were presented, they are declared elected for the term of three years.

I hold in my hand a telegram from Mr. Goodloe. (Reads same.)

I also have another telegram from Mr. W. F. Weiss of New York received a day or two ago, asking that his expressions of good will be conveyed to the Association as well, as he was unable at the last minute to join us and attend these sessions.

You are requested to take with you the pamphlets which have been distributed on "Uniform Accounts for Systems of Water Supply," which was referred to in the report of Mr. Chase as Chairman of the Committee on uniform accounts.

We have one other matter of business which is not at all unimportant, and that is the fixing of the location for the next annual meeting, in September, 1912.

MR. JOPLIN: In behalf of the Illinois Society I wish to present an invitation to the American Association of Public Accountants to hold their next annual meeting in Chicago, and I would like to read the formal invitation with your permission. and a telegram or two.

(A letter from the Illinois Society of Certified Public Accountants was here read.)

I have also a letter and a telegram from Carter H. Harrison, Mayor of Chicago, a gentleman well known perhaps to many of you. The letter reads:

(The letter from Mr. Harrison was here read.)

A telegram has just come to hand to Mr. Gore from Mayor Harrison, which reads:

(Telegram from Mayor Harrison is here read.)

To those there is to be added a short invitation from the Civic Club of Chicago, an organization well-known in our city as public-spirited and working for the welfare of the city.

(This letter was thereupon read.)

I will not take up the time of this Convention by saying anything my-

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self. The Illinois Society will feel it a great pleasure to welcome you all there. We have seen you either coming or going from time to time, but never have had the pleasure of entertaining you, and we will try to do our best. Mr. Gore is going further in extending this invitation in behalf of the Society and the Association of Commerce.

MR. GORE: In Chicago we have an organization of about 4,000 business men who call themselves the Chicago Association of Commerce. It is the business of that organization to forward the interests of Chicago and thereby the interests of the individual members of the accounting firms in Chicago most all of them are members of that organization, and we found that in this desire of ours to have your Convention meet with us the Association of Commerce seconded the motion most heartily; indeed, they have done us the courtesy of sending us a specially-prepared invitation, which reads: "The Chicago Association of Commerce cordially invites American Association of Public Accountants to hold their next convention in the City of Chicago." A few good reasons for your consideration are outlined herein: (Reads.)

Supplementing this formal invitation I am in receipt of this telegram: "Chicago is united, 4,000 business firms with pleasant persistence urge the American Association of Public Accountants to accept our city's hospitality for 1912."

Gentlemen, I wish to impress upon you that these invitations are not merely empty welcome. The City of Chicago proposes to give to you a genuine love-feast. The City of Chicago desires to see you there and heartily hopes that this Convention may decide to select Chicago as its meeting place. It is true Chicago has no Golden Gate. It is true that Chicago is not located as Denver is. It is true that Chicago has no Atlantic Seaboard. It is true that Chicago is not the capital of a State that is fast becoming the mother of Presidents; nor has she the glory of St. Paul. But Chicago, modestly located as she is, will do all these cities could have done, which is to give you a most hearty welcome, assuring you of a most comfortable place to stop, and promising to do all in her power to furnish amusement and pleasure while you remain there.

We most earnestly ask you to accept this invitation, and we trust that you will allow nothing to interfere with your accepting this invitation from the Chicago Society of Accountants, and Association of Commerce, and from the Mayor; and I do not in any wise stretch the elasticity of truth when I say to you, if you should ask any man, woman or child in Chicago if they wanted this Convention, you would find that they would immediately raise their hats in the air and shout for it. (Applause.)

MR. JOPLIN: After the adequate way in which Mr. Gore has extended the invitation, I think there is little I could add. I should like to say, however, that the absent members of the Illinois Society I know are thinking of us at this moment, and I know they wish me to say in their behalf that while they cannot press the invitation personally, they wish it done through us.



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THE CHAIRMAN: I wish to read the following communication in line with what has just been said. It is a night message received this morning. (The telegram is read.)

MR. COOPER: Mr. Chairman, I do not think there is anybody in this room that has any doubt at all as to the heartiness of the welcome that has been extended by Chicago, and my colleagues have exhausted the subject so finally and so thoroughly that little remains for me to say. My friend has told you that there are fifty million people within a radius of one night's ride of Chicago. I think that ought to be sufficient, and when it comes to the rapidity of movement, why, Chicago is it, and not only it, but every railroad finishes there, and finishes there so that you cannot help but see it. Every New Yorker who comes there stops; every New Jerseyite seems to think he gets there away from the mosquitoes, and as to the lethal influence of Philadelphia, it will be banished in the past.

All I can say, gentlemen, is, with my old association, with everyone here, that the American Association will be heartily welcomed, and we will try to produce something a little out of the ordinary, and there will not be any hot tomas in it. (Applause.)

MR. WEBB: I move you, gentlemen, that the next Convention be held at the City of Chicago in 1912.

MR. KELLER: I second the motion.

THE CHAIRMAN: Gentlemen, you have heard the motion, which, under the circumstances, seems to be imperative. Shall the Association accept the very kind and generously extended invitation which has come from these various bodies, particularly from the Illinois Society of Certified Public Accountants? Those in favor of this motion will say aye. Contrary no. It is a unanimous vote, and the Convention has accepted that invitation. May I add and ask these gentlemen who have represented Illinois that they be good enough to communicate to the proper parties the cordial thanks of this Convention.

MR. RAND: Now that the site for the Convention of 1912 is out of the way I wish to read an invitation on the part of Boston for the year 1913. (Reads.)

I take occasion in connection with the extending of this invitation for 1913 on behalf of the Massachusetts Delegation, to read the following: "The Massachusetts Delegation wishes to express its appreciation of the hospitality of the California Association of Certified Public Accountants."

We shall return to Massachusetts and relate our experience as delegates to this convention, and when we tell at home of the cordial reception and generous treatment that has been inspired by the commingling of interests, we one and all—I not the least—will want to welcome you down East; it will be our thought, our aim, our text, to reciprocate. (Applause.)

THE CHAIRMAN: I do not suppose it will be entirely competent for us at this meeting to accept the very kind and generous extension of hospitality which has been offered to us from the Old Bay State; but I am

sure that we shall all bear it in mind for the year that is to follow, and when we come together in Chicago, as we all shall hope to do next year, we may be in a position to permit ourselves to accept this invitation. I do not see how we can well afford to do otherwise. We are shy of poets in this Association. Our poet laureate resides in Massachusetts, and it is quite evident that he has taken the opportunity of leisure out of the multiplicity of duties which he is now performing, which are both national and state-wide and commercial, to illuminate and enliven this communication with some of his flowing verses. It has been suggested to me, however, that I may be mistaken in this inference—that Massachusetts is not necessarily confined to the production of one poet at a time. There have been instances in our literary history where there have been contemporaries, and it may be that we have struck once more upon that happy period when Massachusetts can produce at once two sons who are capable of—I won't say dabbling with the muse, but of wooing the muse, and can effervesce in this charming, delightful way.

At any rate, we certainly do appreciate the invitation that has been extended to us, and I think we can go so far at least as to request the secretary to express the gratitude of this Association for the invitation.

We have still to elect two auditors.

A DELEGATE: I would like to nominate Mr. Gore and Mr. Harold Benington, both of Chicago, the city where the next Convention will be held.

MR. WEBB: Before you go to the nominations—I did not quite understand. I believe you instructed the Secretary to acknowledge the receipt of that communication, and if not and if proper to make a motion, I think it would be nice of the Association to acknowledge receipt to the Chamber of Commerce for their invitation and advise them that the same will receive due consideration.

THE CHAIRMAN: That is a very proper motion to offer. The motion is that the Secretary be requested to acknowledge the invitation with the thanks of this Convention, and address the acknowledgment to the Secretary of the Chamber of Commerce, and to the Secretary of the Massachusetts Society.

(The motion was formally carried.)

THE CHAIRMAN: You have before you the nominations for auditor of Mr. Gore and Mr. Benington. Any other nominations?

MR. DAVIES: I move the nominations be closed.

(The motion was seconded, formally presented and carried.)

MR. DAVIES: I move the Secretary cast the ballot for those gentlemen.

(The motion was seconded, formally presented and carried.)

MR. BRACE: The tellers find one ballot cast each for Mr. Edward Gore and Mr. Harold Benington as auditors for the Association for 1911-12.

THE CHAIRMAN: They are declared to be duly elected.

MR. GORE: I suppose that it is proper and fitting that I should give expression of the pleasure I feel at this showing of confidence. I was probably elected because Chicago is to be the next meeting place. I am



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going to try to believe that this organization rose up as one man and elected me. On behalf of Mr. Benington I desire to express his profound thanks. I would be more cheerful if Mr. Geijsbeek had not advised me of the amount of work connected with the job. I expressed to him, as a sample of the optimism that always is with me, the possibility that I might in the meantime pass to the beyond. I thank you gentlemen very sincerely, and while I am thanking you, I would like to take a little notice of the invitation extended by Boston for 1913 and also a little notice of our President's remarks with respect to poetry, which seems to emanate from Massachusetts with but very little effort and considerable glory. I wanted to suggest to the delegates of Massachusetts that whatever their efforts have been heretofore they will be as nothing compared to the enjoyment they will have experienced after they have visited the Stockyards of Chicago. (Applause.)

THE CHAIRMAN: I feel that I am entirely justified in stating to Mr. Gore that his election is a stupendous tribute to his recognized merits and worth, that it is not in any degree affected by the locality from which he comes, but that it is our recognition of what he is himself, and what he is as an accountant, because we hope that through his efforts the accounts of this organization will be presented to the scrutiny and inspection of this Association next year in a manner that will be highly creditable to himself. (Applause.)

I have a telegram here that has just come in addressed to the Association saying: "Greeting from Old Kentucky. Regret that we are not with you. Turner, Harris and Spencer." (Applause.)

Gentlemen, I have here the report of the special committee on Budget which was approved by the Trustees at their last meeting subject to a revision, which has now been made, and I will ask your consideration and action thereon.

(The report was read.)

THE CHAIRMAN: Your approval is requested to this.

MR. MONTGOMERY: Is there an appropriation there for the Committee on Federal Legislation?

THE CHAIRMAN: Yes, \$300. It includes that.

MR. DAVIES: May I ask you what our income will be?

THE CHAIRMAN: Well, our income is expected to be, with the new members, practically from \$4,800 to \$5,000.

MR. GEIJSBEEK: Is there an appropriation there for the Education Committee?

THE CHAIRMAN: Yes.

MR. GORE: Does the appropriation made there practically exhaust the prospective income of the organization?

THE CHAIRMAN: It does.

MR. GORE: I do not know whether this is the proper time to make remarks regarding the work on Federal Legislation, but it occurs to me and you must have thought, that the time for that committee to get busy is very near. Undoubtedly the next session of Congress will see

the introduction of the measure which the President has committed himself to providing for the incorporation of corporations under laws of the United States, which is now impossible. I have an idea that the best opportunity we will soon have to secure recognition of public accountants by Federal authority, will be in connection with that measure. I believe we should attempt to have engrafted upon it some recognition of the accounting profession, as strong a recognition as we can possibly get. I take it there will be no question as to the desirability of bringing that about, and I feel quite sure that the opportunity will be the best that we have ever enjoyed. There is no question as to the desirability of national recognition of accountants as having a place in the business life of the country as well as a place in the supervision by the Government of institutions falling under the operation of national law. If it is possible to provide that committee with more money, I would suggest that it be done by all means, as I believe that committee will have the most important work in its hands during the coming year that has not only ever fallen to it, but that has ever fallen to any committee of this organization. I think we should all lend a hand in that movement, lend a hand by appealing to our representatives in Congress, to our Senators, and to any whose influence might be beneficial in bringing about the recognition of the profession by national enactment, which is by far the most needed thing in America to-day. It will go much farther toward establishing the profession as a permanent part of the composition of American business life than will any state measure, or any other action that can possibly be imagined.

MR. MONTGOMERY: Mr. Chairman, I heartily agree with what Mr. Gore has said with respect to the importance of the work of the Committee on Federal Legislation. I think, however, so far as money is concerned, there are two elements involved which make it unnecessary for a larger appropriation at this time. The first is the coöperation of the members of the American Association itself. I think we will recognize that we cannot get anything through in Washington unless you have the personal interest of the Congressman, which can only be accomplished by the work in his State alone.

In the second place, the publicity that is required in connection with any important movement in Washington requires the constant attention of a competent man; and I think that the only appropriation that can be made for that is included in the moneys necessary for the employment of an executive secretary, and that is being met, I think, by a guarantee fund that is sufficiently large. I think, therefore, that the appropriation at this time need not be changed. But I would like to say one word further as to the possible work of the Committee on Legislation, and it is in regard to an amendment to the corporation laws that can be passed at the next session of Congress, if the members who are here to-day from different States will see to it that their representatives at Washington from those States will take some interest in the matter. I may be all wrong about this thing, but it does seem to me that this is a matter of financial



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importance to the accountant, perhaps greater than anything else. There is not any great matter of principle involved, but from communications that have come to the committee during the last year it would seem that to a very considerable extent the accounting work as a whole will suffer if the present law remains in force indefinitely. The sentiment of the Congressmen who have been approached on the matter is all along one line. They are perfectly willing to see to it that the thing is done. No politics are connected with it. Republicans and Democrats are alike in favor of it, but they will have to be prodded from time to time, and that will have to be done from the respective States that are here represented.

MR. BOISSELIER: I agree with those gentlemen entirely and think there ought to be more money appropriated, because all those things cost money. In sending letters out it will have to be done from headquarters, and it will need a large amount of money for postage and other things, and the more money appropriated for that the better. That is the greatest aim we have, to get recognition from the Government—not alone for our own personal benefit, but it will be good for the people to have men go over the accounts of these mammoth corporations and monopolies in this country to show them up. And who could do it better than a thoroughly equipped certified public accountant? The more money we spend for that, the more you do for our Society. All the other appropriations, no doubt, are right and should be made, but we should make the appropriations for this committee larger. That is my opinion.

MR. KELLER: You cannot make further appropriations unless at a sacrifice, because we have appropriated everything we have.

THE CHAIRMAN: The Chair would like to say that there is only one sentiment animating us all, and that is the desirability of expending whatever sum may be proper and necessary for the carrying on of this particular work at this particular time. We all recognize, of course, that which Mr. Gore has said. We have arrived at a very critical moment, I think, in regard to the future of our profession, which is deeply impressed upon my mind. Unfortunately, we are under the same limitation which exists with regard to any other organization, namely, that we can only justly appropriate what we can reasonably expect to receive, and there are certain definite, distinct and positive obligations of the future of a kind that we cannot disregard, and we have to provide for those; and therefore we will make this appropriation as liberal as possible. It must be borne in mind also—I have no hesitation in speaking of it here; no reason why I should have—that the guarantee fund to which allusion has been made was supposed to begin to be available a year ago. You are familiar with the reasons why that fund has not yet been called upon. It is my own personal feeling that a large part of those contributors would be entirely willing to have a substantial part, if not all, of the subscriptions which might have been available in the last year made available for this purpose. It will take a good deal of money to carry out our project as outlined by Mr. Gore, a good deal more than we can properly expend from our very

meagre resources. That is one way. I am quite satisfied that an appeal which might be made to these subscribers would meet with a reasonably generous and prompt response; and I know no way which would be entirely right and proper in which we could get money other than from that source. That is my individual opinion, and I have nothing to justify it except my own feeling that we would be willing to contribute part of what we pledged ourselves for 1910 and 1911, to carry out this work, which is precisely in line with what we anticipated doing during the past year.

Now, the budget is still before you, and if it meets with your approval we should be very glad to have a motion to that effect.

MR. STERRETT: Before the motion is put I would like to supplement what has been said. Probably in the recollection of all you gentlemen here, a committee was appointed of which Mr. Wilkinson was Secretary, and that committee solicited subscriptions for a three-year period to the amount of not more than \$25 each from every member of the Association. A very generous response was received, and the Secretary was able to make a very satisfactory report. However, it occurs to me that there may be gentlemen here who have been elected since that time, or for various reasons did not succeed in getting their names on the honor roll of subscribers; and I would like to assure them that the list is still open, and there is no desire to cut anyone out at all; and that I will be glad until the committee has been discharged—I will take upon myself to volunteer—to accept any subscriptions that may be forced upon me, and see that they are placed in proper hands for collection in due course.

Speaking seriously, the Committee did close its work up and evolved a plan which I think is reasonably satisfactory. The subscriptions are limited to a very small amount. It was felt that this should not be the work of one individual or two individuals, but that it might properly be borne by the membership generally. I think I have already stated that the limit of \$25 per annum for three years was fixed as the largest amount which the committee will accept from any individual, and I would be very glad indeed if any of you who have not signed will kindly give me your names.

MR. DAVIES: If each of our constituent societies should subscribe \$50, or so much as you choose, we would get in the neighborhood of \$1,000 for the Federal Legislation expenses. It seems to me that would not be a hardship to any society; it might be to small ones, and the large societies might give more. It just occurred to me while you gentlemen were talking that that might be an easy means of getting \$1,000.

MR. COOPER: In regard to those suggestions of a financial nature, Mr. Chairman, that have come up this morning, I speak both from the point of view of a member of this supplemental committee of this Finance Committee, and also from the fact that I have put in a good deal of time for the revision of the tax law. I came into personal contact with officers of large corporations throughout two States that I am interested in, and obtained from them an expression generally harmonious to our



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purpose; but in a number of cases manufacturers went out of their way to urge the matter upon clubs and in one case have got every club in the city to sign an application. I just wanted to express myself in that way because I want to impugn the idea that this obtaining money from a quasi-public body is a great difficulty, and I think that besides the financial assistance that committee needs, we want the vigorous personal energy of every member of this Association; and it does not rest altogether with the large cities, but every accountant is interested in this law, and I think that every city should express itself through its accountants. In one case I remember coming across a president of three national associations, and he made the declaration to me that he would rather go to jail than comply with the law; he had not and did not propose to do it. But he was a man that supported us thoroughly, and he gave me the names of several associations through the country. I think that a little energy on the part of every one of us will do a great deal toward helping this committee out, and as an individual of some experience I take pleasure in seconding the measure.

A DELEGATE: It strikes me that the flat assessment proposition for each State is not equitable, and I would like to have substituted therefor a per capita upon each State Society. I believe that would raise approximately \$1,000.

MR. BOISSELIER: I feel a little hurt at the remarks of Mr. Sterrett when he stated that the subscription list was still open, because I am one of those who have not subscribed, for a good reason, and I have stated my reasons in writing. I do not believe in unequal subscriptions for anything, for the simple reason that it then falls on a few to do it, and the rank and file have no interest. I believe that every member in this Society ought to be enough interested in laws of that kind or in the good cause that we have before us to put up a dollar in his own society and that the society raise its dues to meet such things as that. But the idea of going around asking for subscribers to subscribe \$25 a year, whether they can pay it or not, is wrong. I think it is absolutely out of order. I think our Society, if it has not enough dues to meet those things, should raise those dues, and every society should do the same. That is the way to do those things, not ask Tom, Dick and Harry to put up a guarantee fund. That is not the way to do; it is wrong. Because when a young man or a young new accountant goes into business he may not be able to do that; he does it though, because it hurts him not to do it; and it is not right. I think the only way to get a fund for such purposes is to go to the Society and say, "Here, we must have that much money"; have the society raise the money for us and not the individual.

THE CHAIRMAN: The Chair would like to say that the only matter in order before us is the consideration of the approval of this budget that is submitted. There is no motion before the members at present.

MR. MONTGOMERY: Was it not the sense of this meeting that that amount should be procured?

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MR. DAVIES: I did not make a motion.

THE CHAIRMAN: No; he made a suggestion, not a motion.

MR. GORE: In order to get the matter before the house, I move that the various State societies that are members of the American Association of Public Accountants be advised that it is the sense of the American Association of Public Accountants that it is desirable and necessary that each of such State societies contribute an amount equal to two dollars per capita of the State Society membership for the purpose of providing funds for the use of the Committee on Federal Legislation.

SEVERAL DELEGATES: I second the motion.

THE CHAIRMAN: The Chair would call to the attention of the meeting the fact that the dues of the State societies for their several memberships, as well as the dues of all other members, are fixed by our by-laws. It does not prohibit, of course, an expression of this Association as to the desirability of securing special subscriptions for any purpose. I presume that is entirely competent and proper for us to do. As I understand Mr. Gore's motion it would be that this Association communicate with the several constituent societies stating the needs which in its opinion exist, and asking that each society make a special contribution for this specific purpose at a per capita rate of two dollars a head for each of its members.

MR. GORE: The motion, if you will ask the reporter to read it, will show that it is advisory to the State society and does not attempt to compel anything.

THE CHAIRMAN: Read the motion, Mr. Reporter.

MR. GORE: As there seems to be some doubt as to the meaning of the motion I would like to elucidate it to this extent, that the motion is purely advisory; it is purely a recommendation that it is necessary and desirable that the societies make the contribution. It rests with them whether they will make it or not. That is as far as this Association can go. It has no authority to make a levy, and can only advise the constituent societies what are believed to be the necessities of the occasion.

MR. WEBB: I believe that acts of this kind should be taken, but this motion as it stands does not specify when we should have this money in hand. I believe that there should be an amendment to the motion to the effect that these societies take that action so that this money, if it is raised by the different societies, is available by December 1st, before Congress meets.

MR. GORE: I will accept that amendment.

THE CHAIRMAN: It is amended to that extent, that the money be paid over before December 1st.

MR. COOPER: The proposer of this resolution overlooks the question of the members at large helping with us in this case, and I suggest that we have members at large added to that.

MR. GORE: I will accept that amendment.

(The motion was formally presented and carried.)

MR. WEBB: I move you that the appropriations as presented by the committee be passed.



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THE CHAIRMAN: It is moved and seconded that the special report of the Appropriation Committee, the committee on the budgets, be adopted.

(The motion was carried.)

THE CHAIRMAN: The Chair would like the privilege of correcting an impression which there seems to be in the mind of one of our members, and that is in regard to the obligation which he seems to think exists upon every member of this Association to make the contribution to what we call this guarantee fund. The wording of the invitation which was sent out was very carefully prepared, and it was placed before each one as a purely voluntary matter; every one was left to act precisely according to his own judgment. Some 190 members, I think—thereabouts—of our organization were in accord with the suggestion that was made, and responded by their contributions. The remaining members did not for very good and sufficient reasons of their own, against which there cannot lie the slightest criticism of any one. Every one was perfectly free to act according to his own notion. There was nothing whatever in the nature of an imperative demand, as the gentleman seems to feel; and inasmuch as our resources are so restricted—they are limited by our by-laws, they are perhaps as large as can justly be asked for, taking into consideration the amount which the various societies themselves levy upon their members—the use of any larger sum of money must be responded to through outside effort; and in every effort of that kind the factor of voluntariness must be conspicuous; that is to say, that every man must do or not do precisely in accordance with his own views of what is proper and right for him, and not be affected in the least in his judgment by what some one else may do. I only say that, because I think it is quite just to the committee who had that rather ungracious work in charge, that it should be understood by all members of the Association, that that was their attitude, and that in the same spirit in which that communication was issued it was received by the members.

MR. GEIJSBEEK: We have made provision for some voluntary contributions in the resolution just passed, and I do not know whether the by-laws provide for the receipt of this money by the Treasurer, and it is under the supervision of the executive committee. I would like to make a motion that the treasurer be authorized to receive the money and disburse it under the supervision of the executive committee.

MR. WEBB: I second that motion.

(The motion was formally presented and carried.)

THE CHAIRMAN: Is there any further business before us?

At our meeting this afternoon we shall be favored with a paper of Mr. Rand and Professor Hatfield to be followed by discussion. It is to be hoped that all of you will be present, and that the invitation will be extended to all others who may be interested in these important topics.

MR. LONGNECKER: In behalf of the Texas Society I wish to express our hearty appreciation of the action in admitting our Society into the Association. I thank you.

MR. COOPER: One thing has just been called to my attention, and it

seems to me important in view of the discussions which took place; therefore I will read the preamble and resolution: Whereas the committee on Constitution and By-Laws of the American Association of Public Accountants did prepare some years since a skeleton form of Constitution and By-Laws as a guide for State Societies, which form was published at the time, it is —

RESOLVED, that a special committee be appointed by the incoming president of this Association, whose duty shall be to amend such skeleton form of constitution and by-laws so as to provide for the creation of unit societies in states or districts, such provision to be in harmony with the existing requirements of the American Association as to State representation in unit form.

That is following up the suggestion made by Mr. Forbes yesterday in the meeting.

THE CHAIRMAN: Does Mr. Cooper offer that as a resolution to be adopted?

MR. COOPER: That is offered as a resolution with the preamble attached written out.

THE CHAIRMAN: Bear in mind that this matter, by action of the meeting yesterday, was to be referred to a special committee. Is this intended to supplement, in the nature of a reconsideration of that action?

MR. COOPER: It puts the question in a more definite form, Mr. Chairman. That was the purpose of this draft.

MR. DAVIES: Will you be good enough to read that again?

THE CHAIRMAN: This is a resolution which is offered.

MR. COOPER: I believe—I am reminded that you asked for that form of resolution to be drafted.

THE CHAIRMAN: Oh, I beg your pardon, yes. Yesterday we considered this subject and it was to be embodied in a resolution, and this is the resolution; that is to say, this really goes back to our action of yesterday and puts it in this form: (Reads resolution.) That is supposed to have been already adopted under our action of yesterday.

MR. FORBES: There was no action taken yesterday.

MR. BRACE: I want to remind the Convention that at the moment the resolution or the suggestion was made by Mr. Forbes the committee had not reported on our credentials and we could not take any action. I presume that Mr. Cooper moved the adoption of his resolution; therefore, on behalf of the California delegation I second Mr. Cooper's motion for the adoption of the resolution just offered.

MR. COOPER: Mr. Chairman, before further consideration of that I want to elucidate the purpose, because one of our members has suggested that the draft, when made, of these amended by-laws should be sent to each society. I reserved that point, because under the consideration of the new by-laws by the American Association it is very desirable that this skeleton draft of society by-laws should harmonize with our intended amendments before they get that copy.

MR. BARBER: I do not want to be considered as differing from the



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members of the delegation; it is not a matter of difference of opinion; but it seems to me that the resolution as worded is not quite definite enough. This is a question which, unless it is settled right, will rise hereafter. It is not a Pennsylvania or a New York question; it is an American Association question. I understand it to be a step toward a settlement of a question that has been long pending. I think we should take no chances. Therefore, in the wording of that resolution I object to two things: First, is the use of the word "unit" as applied to the local, subordinate society. I think it is liable to be misleading; second, I think it should be made clear that the representation in the American Association should in all cases be by states as units. I think that that should be made a little clearer, that the distinction should be drawn in the instructions to the committee. If you remember, this resolution does instruct the committee as to what general form the suggested by-law should take. It should be so worded that it shall be made clear that the organization of the local society shall be under the local autonomy, subordinate to the society of the State, which shall be the only unit and basis of representation in the American Association. I am merely making that suggestion.

THE CHAIRMAN: This resolution seems to cover that; it provides for unit representation; it provides for unit societies in states or districts, but provides also that the representation in the American Association be by a state unit. I think that would cover it.

MR. COOPER: To make matters more clear perhaps, I would say that the resolution is supplementary and secondary also to the contemplated changes in the American Association By-Laws.

THE CHAIRMAN: You have this resolution before you. It provides for the appointment of a sub-committee to take the matter under consideration and to recommend such changes in the by-laws as shall provide for the existence of two or more societies in any one state or district, who should have unit representation within that state, and be represented in the American Association by one state unit. Any further discussion?

(The motion was formally carried.)

THE CHAIRMAN: The resolution is adopted, and the President will appoint that special committee later. He will take it under consideration. Any further business? If not a motion to adjourn is in order.

(Upon motion duly made and seconded an adjournment was here taken.)

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Wednesday, September 20, 1911, 2 p. m.

THE CHAIRMAN: The meeting will please come to order.

We have the pleasure and privilege this afternoon of listening to a paper by Professor Henry Rand Hatfield, of the University of California, on the subject of Accounting Practice in England, France, Germany and the United States. It is a disappointment to us that Professor Hatfield could not be present with us and present this paper to us in person. He expressed his own regret to me that he would not be in town at this time,

but he has very kindly prepared this paper, and it will be read to us by Mr. Webster.

MR. WEBSTER: Professor Hatfield's paper has a string to it, temporarily. As Mr. Suffern announced, the subject is the variations in accounting practice in England, France, Germany and the United States, and the Professor was in the hope that when he was in New York recently he would be able to get material for filling up some gaps regarding the laws and practice in those countries there. He finds that he has not been able to get the material and he asks us kindly not to print the paper because he would like it printed when he gets back from Europe, where he expects to spend more of his time in investigating the subject of his paper; but we have printed a little abstract of the paper, and have the privilege of reading it as it is in its present state. (Reads paper, which was followed by hearty applause.)

THE CHAIRMAN: It is hardly supposable, having listened to this extraordinarily comprehensive paper, that you find yourselves fully prepared to enter into the discussion of the matter it contains. No doubt it has been suggestive of many new thoughts. We will be very glad to hear from Mr. Dolge, who will open the discussion of this paper.

MR. DOLGE: I think I was supposed to open the discussion on Mr. Rand's paper.

THE CHAIRMAN: Perhaps you are in a position to discuss both.

MR. DOLGE: All I can say is this, that my friend Brace has twitted me on my German parentage, and I have read some of the German literature on accounting. I am much surprised that Professor Hatfield has not mentioned one thing: The assets, such as horses and wagons and office fixtures and assets of that kind, which are really expenses and have no material value on liquidation, are usually put down at the value of one mark; that is, the value is simply a nominal value.

THE CHAIRMAN: Was any special assignment made to introduce this discussion.

MR. WEBSTER: I did not make any because I did not have any other copy of this paper, and I did not want to let it out of my hands, and Professor Hatfield did not want it published because he wanted to have an opportunity to correct it and bring it up to date.

THE CHAIRMAN: Do any of you gentlemen desire to take part in the discussion?

FROM THE FLOOR: I would like to hear from Mr. Dolge if he would favor us with his opinion as to whether his idea is good accounting from the American standpoint.

MR. DOLGE: Suppose you force that on somebody else. Personally I think it would make a great deal of difference whether it was a company that had just started, or whether it was an old-established company. I am inclined to think that a good deal of the office furniture and fixtures and these other assets that we find, are well enough for going concerns, but they are apt to be misleading. I have in mind a very recent case of a company that had to liquidate where the office furniture and fixtures



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was down at about \$14,000, and when we got all through we were very glad to accept \$140 for the whole business.

THE CHAIRMAN: I am sure we all appreciate Professor Hatfield's efforts in our behalf. It is a good deal of an imposition to ask a man of the many duties of Professor Hatfield, with so many demands upon his time, and upon his thought, and who is continually engaged in preparing papers and books and lectures, and further study, to give any part of his time for the benefit of a Convention or association of men who get together as we have, and we are highly appreciative of this effort for us. In proper time, when he shall have returned, we shall try to express those thoughts formally. Is there any discussion on this paper?

MR. SEATREE: Professor Hatfield spoke of the characteristics of American accounting, particularly in the development of cost accounting, and I think, if I remember correctly, he gave the credit of that to the inventiveness and adaptability of engineers. It is my experience on both sides of the water that there is another element which has latterly helped the development of that field, and that is the readiness with which American manufacturers and directors of corporations are willing and ready to spend money on that feature of accounting. Of course, it is well-known that the American business man is always ready to spend money if he thinks it will benefit him, and possibly in that connection he has been willing to spend much larger amounts in that respect than the English. I know very many cases where large sums, which to an English concern would be considered entirely prohibitive, have been spent on the development of cost accounting, where it was largely a speculation as to what the result would be; and I have felt for a long time that that is one of the great things that stood behind the development of cost accounting in this country.

THE CHAIRMAN: If there is no further discussion, gentlemen, we shall have the pleasure of listening to the paper of Mr. Waldron H. Rand of Massachusetts on bonus and profit sharing.

(The paper by Mr. Rand was here read by him, and was followed by prolonged applause.)

THE CHAIRMAN: We have listened with great interest to that paper, and I trust there will be a general discussion of it. It has offered us many thoughts, for we all have thought along this line somewhat. Some of us have had experience in working out some plans and methods, and all of us are familiar with the general profit-sharing methods which are in use in some of the large corporations. Is Mr. Dolge prepared to open the discussion on this?

MR. DOLGE: I have, I think, in common with every one present, listened to Mr. Rand's paper with a great deal of interest. Prior to his reading it, I read the paper and before opening the discussion I would like to ask Mr. Rand his definition of "Profit-sharing," as he use the words in this paper; in other words, I would like to know whether by profit-sharing he means a true sharing of profits, that wonderful sum that is left after

all the expenses are paid, or whether he is referring to profit-sharing simply as the term has been applied by most of the corporations and businesses that have been attempting to add some remuneration to the employee over and above the wage.

MR. RAND: My understanding of it, as I have treated it, has been that it was considered an expense in the business, what is sometimes meant by a method probably similar to this (frequently I have found it); for instance, the corporation would add to purchases a percentage which would be considered, as in one case I have in mind, a sum which was called a discount profit, and then the regular additions would be made to the price of the goods sold. Then the bonus feature established according to sales, in excess of an amount to provide for the retirement for a salesman who is paid a certain wage, and fifty per cent. of the profit would offset what was charged to a profit-sharing account; if that was not enough they would encroach upon the balance of the profit and make it up; and if that did not make it up they would still further encroach on what they called the discount profit; the idea being that the profit share must be taken care of whether the firm made any money or not. I consider that to be the general idea of the profit-sharing feature as I have investigated it.

MR. DOLGE: With that as a definition to start on I would like to make the statement that generally speaking the efforts of coöperation on the part of business houses throughout the world have not been true profit-sharing; that is to say, not in the sense that we consider profit. I think Mr. Rand will agree with me when I say that generally—so far as I know, without exception—instead of being an actual sharing of profit the various methods employed are an arbitrary placing of a certain amount of money to the credit of employees without any regard to the fact whether profits have been made or not. If it was true profit-sharing, if it was profit-sharing in the sense of a division of the true profit of the business, then it seems to me we cannot consider that profit-sharing is any portion of the cost of the product. I think there is no question that the bonus is a part of the cost, whether that bonus be a bonus in the manufacture of the material, or whether it be a bonus that is paid to the salesman and a charge against the selling cost.

The profit-sharing as treated in this paper by Mr. Rand and explained by him then, in effect, is the same thing as a bonus, only arrived at in an absolutely arbitrary manner by the head of the concern.

I would like to take issue with Mr. Rand on the question or on the statement that bonus, profit-sharing and pension schemes have been adopted primarily upon the expectation of the capitalist of getting increased efficiency. I do not think that history will support him in that statement. Most of the attempts that have been made in France, in Germany, in England, and in this country have been made by men of wealth who have worked their way up from the bench to their position as the head of the concern; and realizing that a certain portion of the profits they made was the so-called unearned increment, or was not entirely due



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to their own efforts as managers, have attempted fairly to divide some of their profits with their men. And that has brought about the various attempts at profit-sharing. So far as I know no scientific method of dividing those profits has yet been devised. After all is said and done, a plan of pensions, a plan of life insurance, a plan of profit-sharing based upon a pay-roll or upon a percentage of the pay-roll, or upon a basis of the man's employment, the number of years of his employment with the firm, is absolutely arbitrary, and is not based upon the man's efficiency.

To charge such a profit-sharing as a cost seems to me inequitable, because you might have the condition in a business house or a manufacturing concern where one department is making a great deal of money, and another department is losing a great deal of money. None the less, under the generally accepted methods, all of the employees, regardless of whether they are in a department making money or in a money-losing department, share in the so-called profits of the business.

Not exactly pertinent to this paper, but it seems to me of some interest to all of us as accountants, is the question as to whether this so-called "efficiency movement," "scientific management," will really materially and continually help to raise the wage of labor. I think I can understand the opposition of the organized labor to these methods. I think they have the feeling—and it has been carried through by practice—that if they succeed in speeding up a man from carrying ten tons of pig-lead into a freight car during the day to carrying forty tons in a day, the result will simply be that the standard required has been raised, multiplied by four; but that the effect upon the wage is not going to be a corresponding one. And in the very nature of things, even if the capitalist were willing to do so, it could not continue that way; because the wages of your labor and of your mechanic, like the fee of your accountant, are based upon the standard of living of that individual. They object to the specialization. After all is said and done, there is not any material difference between a specialist, a door-hanger for instance, as you know him in the East, particularly New York City, who styles himself a carpenter, but who can do nothing but hang doors, which is his particular specialty, and a common laborer. That is to say, your door-hanger knows nothing but the hanging of doors; he could not put down a sill; he could not put up any of the ordinary frame work of a building; as a carpenter, he does not begin to be the equal of the ordinary jobbing carpenter of the small town of 1,000, 2,000 or 3,000 inhabitants.

With reference to pensions: I note that Mr. Rand brings out the point that those should be a charge as a reserve; and it seems to me that that is a very interesting and a very timely suggestion. We set up a reserve for depreciation of plant and of machinery. A pension is a sort of reserve for a depreciation of labor. The great difficulty that manufacturers and employers of labor have had to contend with is the holding of their men, and all of these schemes are more or less based on the proposition of holding and keeping the men in their employ. But this feature from the standpoint of the laborer is that it restricts him to one employer. A

movement was started as long ago as 1896 in New York State by the introduction in the Republican platform of a plank recommending to the Republican National Committee a scheme of federal pensions for labor, the adoption of a system whereby the employers throughout the country should pay a certain percentage of the annual pay-roll into a common fund, and that that fund should be available for pension purposes to all employees at the time of arriving at the age of retirement. But so far as I know it only got as far as that plank; it never went beyond that point. Along about that time we became very much interested in the fight between gold and silver, and questions of that kind were put in the background.

In conclusion, I would like to ask Mr. Rand one question: Surely he, as an accountant, is not going to father this statement with reference to the flour mill: "Capital is first credited with interest at the rate of 8 per cent. per annum, then seven of the principal millers receive five per cent. each, and ten per cent. is divided among the balance of the employees, making forty-five per cent. of the total net earnings for distribution among the employees. The method adopted by this mill to arrive at the amount to be distributed is to divide the total net earnings by 145 and call the quotient one per cent."

Ever since the first time of reading this paper I have been wondering what became of the difference between the 45 per cent. in the first paragraph that I have just read, and the 145 per cent. of the second paragraph.

MR. RAND: When I read that statement I tried to emphasize it so as to call attention to it. And I did not believe that it was possible when I first received the report, but I wrote a second time and received a reiteration of their method of arriving at their division of profit. They insisted upon it that way, that 100 per cent. belonged to them and forty per cent. belonged to labor; and so as to determine what one per cent. was they divided all the earnings by 145.

You must not put upon my shoulders the responsibility of the action of the flour mill directors; but that is the way they do it as they explained the matter to me twice.

MR. DOLGE: My question is this, Mr. Rand: Is the actual division, the actual so-called division there forty-five per cent. of the total earnings, or is all of the division on the basis of so many 145ths?

MR. RAND: The employees get very much less than that, of course, but they divide it in this way: They claim that they divide that forty-five per cent among their employees in this manner: Five per cent. to seven of the principal millers; that is 35 per cent.; and then 10 per cent. among the balance; that is 45 per cent. When it comes to divide it up it is different; they do not get it. They divide by 145 to find out what 1 per cent. is.

MR. DOLGE: Well, capital gets  $8\frac{1}{45}$ th of the total earnings or 8-100ths of the total earnings?

MR. RAND: Capital would get 8 per cent. of the face value proper;



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that would be charged off all right; then whatever the balance was that would be charged to profit and loss, would be divided by 145 to find out what 1 per cent. was. They are purely arbitrary in their method of dividing the profits. I am not responsible for that.

THE CHAIRMAN: Is there any one else that desires to take part in this discussion. We would be very glad to hear from all or any?

MR. STERRETT: Mr. Rand in his paper made mention of the Baltimore & Ohio Railroad. I have had an opportunity of learning something of the operation of their relief department. There are one or two features of that that are worthy of some recognition. The relief department, as is known, covers three main features: First, that of relief, relief during sickness or during times of accident, covered by a joint contribution of the company and by the men; and secondly, savings department, which has resulted in quite a savings bank. This is not confined strictly to the employees of the company, but it is possible for the families of the employees to get the benefit of it. Interest is allowed at the rate of four per cent., and both principal and interest are guaranteed by the Baltimore & Ohio Railroad Company. In addition to that, from the revenues of this department, the Company has from time to time declared dividends to the depositors; and during the past year they have declared—at least, the last annual statement shows they have declared a dividend of two per cent., making six per cent. interest on the deposits which were made by the employees. The money is utilized mainly in the form of loans to the employees for the purpose of buying or building houses and other property in the Baltimore & Ohio territory. The loans are localized in that way with a possibility of being helped not only to buy homes for employees, but to build up the territory of the railroad. The third feature of the fund is pensions, which are borne by annual contributions of the company. Membership in the relief department is practically compulsory on all of the operators employed. The officials and the clerical staff have the opportunity to become members if they so desire. The cornerstone of the whole system, as far as the relief and pension aspects are concerned, is that of the medical examination. The relief department of the Baltimore & Ohio Railroad has installed a system of medical examination which seems to be very much more effective than that of the life insurance companies, and the statistics show better results from the employees of the Baltimore & Ohio Railroad than those furnished generally by the life insurance companies. The medical department is made up of the chief examiner with a number of assistants, and a number of surgeons scattered all over the territory of the road. These men are paid by the department. Every man coming into the employ of the company has to submit to a physical examination, and then they are examined, especially the men in the Continental trains, from time to time as to their physical condition; and, of course, in case of accident the men receive treatment without expense by these surgeons and physicians along the line, being the best men in their territory.

Altogether, this plan of the Baltimore & Ohio, although it is the first,

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seems to be distinctly in advance of most other relief department schemes in this country, and has worked satisfactorily to the company and equally as satisfactorily to the men.

I was very much interested in hearing Mr. Rand's paper; and the fact occurred to me that we might very properly consider whether in our own organization we might not profitably to ourselves and to the members of our staff add the profit-sharing scheme. This is not entirely a new suggestion; I know that in some offices such plans are in force, and I believe it would work very well to apply it generally. Profit-sharing is usually done on division of the profits or some allotment plan. Of course, the first is the one that would be applicable to our work. It seems to me that this is a matter that comes home to us in a peculiar sense. Our success depends to a very large extent upon the intelligence and fidelity of those who are associated with us, and when we do recognize this it is only right and fair that these men, who do so much to promote not only our personal welfare, but the progress of the profession as a whole, should receive some reward for their services in addition to their salary. This might very well take the form of a profit-sharing scheme.

THE CHAIRMAN: Has anyone else any disposition to take part in this discussion?

I think at this time it would be well for the Chair to entertain a motion of a vote of thanks, instructing the Secretary to express to Professor Hatfield, also to Mr. Rand, our appreciation of their efforts, and I will entertain a motion to that effect.

MR. WEBB: I make the motion.

MR. BOISSELIER: I second the motion.

THE CHAIRMAN: It has been moved and seconded that the Secretary express the thanks of our Association to Professor Hatfield and Mr. Rand in our behalf.

(The motion was formally carried.)

THE CHAIRMAN: Bear in mind that our kind hosts have provided a very delightful means of enjoyment for to-morrow in the trip to Mt. Tamalpais. We leave the ferry on the 8:45 boat. It is particularly requested that everyone shall be there at that time, as otherwise you may find yourself left out of what will be a very agreeable trip.

If there is no further business a motion to adjourn is in order.

(On motion duly made and seconded, an adjournment was here taken.)

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### **In Cathedral Grove, After Luncheon, Thursday, September 21, 1911**

A meeting of delegates and their guests was called to order by Mr. Barber of California, who requested President Suffern to address the Assembly.

MR. SUFFERN: Ladies and Gentlemen, and members of the American Association of Public Accountants: It has been the custom at annual conventions that the officers who are there elected should have



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something more or less of a formal installation. It is not an inappropriate custom as a general thing. It means that there shall be on the part of the officer an assumption or resumption, as the case may be, of business more or less onerous, certainly responsible.

In order that any opportunity should be improved to the best advantage is requisite, I think, the combination of three features, namely, that the time and place and the man should be suitable.

It does not seem to me that this place justifies any intrusion of thoughts which relate particularly to the present day. We have our modern problems to consider. Whatever I may have thought as appropriate to a gathering of this kind in respect of our own relations to these problems, disappears at this time. So deeply impressed am I with these wonderful surroundings, the unique spot in which we are met, that it seems to me that anything of that sort would be unfitting at the very least, at this place where one would sit still and be silent, and where words however well chosen, are hardly justified. In the presence of these wonderful growths of nature one feels like sitting quiet and letting them speak, they are so old, they are so impressive; but there are one or two things that seem to me could be said properly at this moment. And they represent thoughts which are even older than these trees; namely, those thoughts which express or, rather, which convey to our minds gratitude and purpose. That men were ever grateful for that which has been bestowed upon them I am certain; and before the day when these trees were born men felt grateful to those who had conferred upon them favors, and given them help; in that sentiment I surely share to-day, and by that sentiment I am joined to those who lived before ever these trees were. And men had high purpose so long as the world has endured, and we on our part, those of us who constitute the members of this Association, likewise have high purpose. And so I would only say these things: For myself, gratitude and thankfulness, and for us all, definite desires to accomplish more along the lines of work which are laid out for us—accomplish those things which are consistent with high purpose and conscientious fulfillment of the duties which come to us to discharge.

I greatly appreciate your kindness and thank you for your courtesy in listening to me.

MR. WEBB: Before the final adjournment is taken I think it is fitting that a formal expression of gratitude and thanks should be extended to the California Society for their entertainment of the American Association during this Convention. I would therefore make that motion.

MANY VOICES: Second the motion.

THE CHAIRMAN: Unanimously seconded. Those in favor say aye. And if there is any discordant voice, let him say no. Unanimously carried. And the California Society will understand that this is no formal motion, but it is exceedingly sincere and very deep and very unanimous indeed.

MR. JOPLIN: I would like to add to that that that be part of the records.

THE CHAIRMAN: That will be done.

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MR. BARBER: On behalf of the California Society—not because I have any right to speak for it, but because I am afraid nobody else will—I want to say to every one of you that if you have had as much pleasure, if you have enjoyed your trip, enjoyed being with us one-tenth as much as we have hoped you would enjoy it, and if your pleasure is one-tenth of our welcome to you, you have had a mighty good time. (Applause.)

A DELEGATE: And then some.

(The Treasurer being absent, the Chairman did not call upon him to address the meeting.)

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**Thursday Evening, September 23, 1911**

**After Banquet at the St. Francis Hotel**

PRESIDENT SUFFERN: Ladies and gentlemen, members of the American Association of Public Accountants: We are very forcibly reminded to-night that we are the guests of the California Society of Certified Public Accountants. Their President, Mr. Klink, will act as Toastmaster on this occasion. (Applause.)

THE TOASTMASTER: Mr. Chairman, Ladies and Gentlemen, Fellow Members of the American Association, and Honored Guests:

I have been requested to read a telegram which has been received just a few moments ago, and with your permission I shall proceed to do so:

TORONTO, September 21st.

EDWARD L. SUFFERN, President,

American Association Public Accountants,  
San Francisco.

The Dominion Association of Chartered Accountants, comprising in its membership the chartered accountants of all the provinces of Canada, send greetings to American Association of Public Accountants on the occasion of their twenty-fourth annual convention.

GEORGE EDWARDS, President.

Long ago, when the matter of holding a meeting in San Francisco was first considered, it was decided that the members of the California Society would not be permitted to make speeches. There was an enforced silence placed upon all local spellbinders; and full many a gem of oratory of purest ray serene a long suffering convention was not called upon to bear. However, since the embargo has been lifted and the voice of the Californian may be heard, it is proposed that we shall express to you a few belated words of welcome.

You have been welcomed officially by the Governor of our State, and the welcome has been right thoroughly expressed. We wish, however, to speak for ourselves and supplement what has already been stated to you.

The City of San Francisco with its environments and some of its constituencies has been placed at your disposal. The mountains and valleys of the State have been spread before your view. If there was a shroud of fog enwrapping some of the view and impeding the altogether



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clarity of your vision, let us hope that there may remain with you a delightful imagining of what might have lain beyond that veil of mystery. (Applause.)

We welcome you, fellow members of the American Association as those who have raised the standard of progress and join with us in worshipping the God of things as they are. We welcome you as the exponents of commercial honesty and civic morality. We speak to you seriously. We have endeavored to make you feel at home among us, and if perchance our words have been lacking in eloquence or expression, we trust that our actions have spoken louder than words.

And now that I have expressed to you a few words of welcome, it shall be my pleasure to present to you those who can more fitly entertain you. The education of the accountant is a theme which is dear to the minds of us all, and we know of no one who can speak to you more fitly on the subject of education of the accountant or education generally than one who has given a lifetime to the education of the highest, of the purest, of the best. And it is with sincere pleasure that we present to you the honored President of our State University, Dr. Benjamin Ide Wheeler. (Prolonged applause.)

DR. WHEELER: Mr. Toastmaster, accountants and recorders, and recording angels (applause): We count it an advantage whenever we can get people of any sort of activity or of any sort of relation to affairs in this country to come out here and see this God-blessed and sun-blessed strip of land that so few people know exists.

It is a strange thing that while all this beautiful country is staked out here, open to the use of man, the finest play-ground and work-ground on the surface of the earth, so few people enjoy it. I have been up this summer in King's Canyon, and did not see more than a half a dozen people all the way in and all the way out; and all that land is the most level and beautiful in the world, and you can have a good time there beyond the ordinary known measure of human beings; and there is but a little bit of a handful of people there to enjoy it. So it is, we might say, of California; and the reason of it is that it is isolated from the rest of the world more than almost any other part of it except perhaps New Zealand and Northern Siberia. It is pent up here between two thousand miles of desert and five thousand of equally arid ocean; and any way you try to get at it you have to make a struggle. I do not know but that the Almighty intended it should be hard to get here, so that people should fully enjoy it after they get here; and in that sense I welcome you, both recorders and recording angels, to your great opportunity. (Applause.)

I welcome you to a State University which recognizes you and rejoices that you recognize it. You are a profession, an emerging profession, and you are finding out how you must ally yourself to the University, as all those activities of men are now allying themselves to the Universities when they find that they need intellectual freedom as a condition of their development.

If you had merely the recipes to learn, and you were to be satisfied with

that, and the world were to be satisfied with your having recipes, and you lived only according to the rule of thumb, then you need not ally yourselves to the universities. The university is the home of freedom, and is for the purpose of saving men from intellectual slavery, for the purpose of saving them from the rule of thumb, for the purpose of saving them from the eternal slavery to the recipes. That is all universities are for. Do not think of anything else. They do not exist for the sake of Greek, nor Philosophy; they exist for the purpose of saving men and their professions from intellectual slavery, from slavery to the recipes. They undertake to give people that suppleness of intellectual life whereby they may readjust themselves to emergencies. The old recipe was good enough for the old set of books, but society shifts and new emergencies arise; and the man who can see through the new emergency, can see life and its present needs in perspective, will create the way to meet the new emergency. And that is the kind of man we have got to have more and more in a profession such as yours is.

There was a time when people were perfectly satisfied to study book-keeping in a grammar school. An attempt was made to have me stop the use of tobacco by having me keep a tobacco account in the form of a set of books (laughter). They taught us in what they called the commercial college, in which for a certain so much monthly we were also taught how to keep books according to the ancient and well-recognized methods of keeping the same. There is nothing in that; that is slavery; that is learning the recipe; that is entrenching yourself in slavery to the recipe. That does not make accountancy; that does not make the men who are going to meet the needs of present day society, which is all the time becoming more complicated—meeting those emergencies and helping society distribute its values, its earnings, its rights, its possessions, keeping honest account of things as they are, and assigning values to the men to whom the values are to belong.

If we are to have a profession of that kind in a society shifting as ours is to-day, we have got to have the point of view of the university rather than that of the commercial college or of the tobacco account. But we know well enough, just as you do, that you cannot make a whistle out of a pig tail. Universities cannot undertake to give suppleness of mind where there is not any mind; and they cannot undertake to infuse the notion of common sense where there is not any fundamental appetite towards sanity of judgment.

And the universities cannot outright teach the thing we call gumption. Not many of you are from Down East, and I have to tell you what gumption is Down East (laughter and applause). I used to spend my summers on the islands of Mount Desert. There was a man there who kept a country store whose name was Kilpatrick and he called the place Kilpatrick. He kept his store. On the right hand side there were various jars of glass containing sticks of candy and specimens of chewing gum. In behind were calicoes and coats in a box, a few ribbons, etc. On the other side there were groceries, meals, sugar, and such things. Just a



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little down the counter was the post-office; he was the postmaster, too; and he tried hard, under the new régime, to read all the postal-cards, and thought one time of resigning because of inability to fulfill that serious duty. In behind the shop he had pool tables. In between measuring calico and weighing out meal, he would keep track of the score in winter afternoons—the score and time—on the pool tables. Upstairs there was a barber chair; and in between watching the pool table, reading the postal-cards, selling the sticks of candy, he would shave a man Sunday afternoons. When the steamer whistle blew as it came in from Rockland, he would run down on the pier, catch the cable when it was thrown in, and make fast. Then he would hand in papers to somebody, the purser of the boat, that came down; for he was the Adams' Express Company's agent at that place. After the steamer got well out into the offing he would row out into the half fog and pull up a lobster pot to see what luck he had. When he came back he would visit his fish-house, where he made a business of drying fish. He had a place upstairs over the store where he would organize country dances at which he played the fiddle—he was fiddler in between times; and his wife and he took boarders, what they called "the rusticators" from Boston. He put in new-fashioned plumbing at the house, and he did not get a plumber from Bangor; but he had been up to the hotel, the Rockland Hotel, and found out how to put the plumbing in; and he put the plumbing in himself into his own house. He kept a pretty good stock of things, and up in the back loft he had a whole stock of chairs. I asked him what he kept so many chairs for, and he said, "I reckon sitting down ain't going to go out of fashion." And altogether he was a very successful man down there. (Applause.) He had a hand in almost everything—he passed the contribution box on Sunday. (Applause.) I thought I would tell you about it, so that you may know what I mean by "gumption." (Laughter and Applause.) I am not here this evening to propose to you or set before you a university that can teach gumption. We have no curriculum leading to the degree of Doctor of Gumption, but the Lord helping us, we are trying to produce something that will look as nearly like gumption as possible, so that a man will have a little flexibility and if he fail at being a clergyman he can turn to and make a good life insurance agent. We do not want things to be as in Germany, educated to do one thing. There they start in on one track at nine years of age, and they are educated to be just that thing. And a man struggles on for that one thing, and his mother's hopes are centered on him, as a professor or some kind of an 'or; and if he does not make good as a clergyman, they will never think of setting out as a life insurance agent. They look at him as a final failure. The Americans will not agree to that. They have not got into the rut so as to agree to anything of that sort.

Gumption is an American virtue, and adaptability is an American quality, and I do not believe that parents are ever going to like it if we at the university and the school undertake to make little machines out of people that are committed to our care—little machines out of

these little people that can only run on one gauge of track. No, that is not the American idea. The class sentiment is not the American idea. I read a squib the other day, a letter of Mr. Holmquist, in which he said, speaking as he did for the socialistic side of the labor union movement, that their great work was to make the laboring man class conscious. We do not want any class consciousness in this country. (Applause.) We did not start out with it, and we do not want institutions that give class consciousness, and limit the individual to one style of track, to one kind of endeavor, to one way of saving his soul. There must remain in the American education continually that element of elective training, no matter how much we go into vocational training that will give breadth and flexibility to the finished product.

Our department of accounting of the university, under the charge of Professor Hatfield, is I think one of the best (Applause) departments we have, and one of the best departments to be found anywhere. Our college of commerce, founded by Miss Flood of San Francisco, a college which has now an endowment given by her, or the result of the accumulations of her gift, of about \$340,000. That school is able to provide instruction by men of first-class intellectual calibre; and they are not themselves slaves to the recipe; and they are not inclined to teach other people to be slave to the recipe. It is the hardest work that is done in the college that is done in that college of commerce, and the best men, in consequence, are taking it. The best men do not take snaps, and when they find that a course is a snap or a professor is a snap the best men do not go there. And the college of commerce is no cheap edition of a commercial school. It is the hardest department of the University. Its standard of work is the highest. (Applause.) But it exists for the sake of your profession. You are allied to it; it is allied to you. I am here to speak to you because I believe in your work. I know it is one of the pillars of society. It is a strong pillar of the existing order—to keep the record of things as they are and make things as they are clear to men, so that there is no doubt about it and no lie and no alloy contained in it. That is the work that is worth while.

You gentlemen are members of a profession, of a profession that is essential to society, a profession that is fundamental in society, and I say, God speed to you. (Prolonged applause.)

THE TOASTMASTER: The world in which we live or, rather, the people in that world may be generally divided into two great classes, the debtors and the creditors. We know that a classification of this kind will appeal readily to the minds of accountants, and we venture to suggest to you the delightful possibilities of a human balance sheet.

Consider if you will how the classification might spread itself among one's acquaintances. There are the interesting assets, some of which are real; but, alas, some of which are only "improvements." We may pass by quickly the matter of liquid assets, and also contingent assets. We will, however, all agree that among acquaintances of greater or lesser degree there are many that might be transferred to the "surplus." But,



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speaking seriously, we believe that after Dr. Wheeler's remarks, we must all feel kindly toward one another; and your Toastmaster ventures to suggest to you the advisability of extending a kindly feeling toward your banker. We must admit and you will admit that he must be a man of discernment, and you should give him all the credit possible, as the law of reciprocity might be invoked in your behalf. For your bankers must engage in the occupation of classifying the human family. Remember that to him the debtors form a subject of absorbing interest; in fact, the debtors to him are men of note, of promissory note. However much we may become indebted to the banker in our individual capacity, collectively we are indebted to him for a recognition and fellowship which we cannot too fully express.

It is fortunate indeed that we have with us this evening a representative of one of California's greatest banking institutions, and we feel assured that he can express to us phases of accountancy as allied to banking which will be of interest to all of us. It is with great pleasure that we present to you the Vice-President of the First National Bank of San Francisco — Mr. James K. Moffitt. (Applause.)

MR. MOFFITT: Mr. Toastmaster, and Ladies and Gentlemen: I thank the Toastmaster for his kindly introduction. Surely one who follows President Wheeler needs a kindly reception at the hands of his audience.

I want to give testimony here, before the visiting friends, of the esteem and affection in which the University of California is held by the people of the State of California. (Applause.)

There is no public movement, there is no gathering that we feel complete without a representative of our University being present to voice the University's sentiment. There is no duty that President Wheeler shrinks from; he is present every time to give his voice of encouragement and cheer to every good movement in our civic life.

When our friend, Mr. McLaren, asked me the other day to say a few words to-night, he asked me, I know, as a member of the banking fraternity. He said, of course, you know that bankers are men of few words, that it is supposed to be your duty to listen to your client's tale until the last sentence is spoken out, but your speech must be of the plainest — "yea, yea" or "nay, nay."

But I do, I suppose, appear before you to-night simply in the capacity of a banker; unfortunately, perhaps, because when I throw my lot among the accountants here in San Francisco, I sometimes think I have a pretty hard life. The head of the accounting department at the University of California, unfortunately, is not here to-night, because he is able to enjoy his sabbatical year in Europe. Can a banker do that? I think not. I see among my accountants here in San Francisco those who ride horseback mornings and afternoons, those who are able to play golf on the links daily, and others who are able to start out when fishing begins in April. We bankers do not do that.

But, seriously, we bankers do welcome any gathering that comes among

us, any gathering that comes with seriousness of purpose and seriousness of outlook. We feel, as President Wheeler told you, that we have a great deal to show you. The material accomplishments here are all things of the past sixty years. The men who laid the foundations are, many of them, still here; men who came here simply with an eye to the gold that lay in the placers along the lower slopes of our Sierra Mountains, who were men that realized the boundless opportunities and stayed here to build up what we believe is one of the greatest commonwealths of this country.

But it is not what we have done in sixty years that we want you to see, but the tremendous possibilities in our soil and natural opportunities, and the great opportunities that lie before us on the broad Pacific, if we only grasp the possibilities that are there for trade and commerce. We want you to look about you, as no doubt you have in our city. We take a just pride in the work that has been done in the last five years. Most of you of the San Francisco Chapter and most of us who live here in our city, have been in the midst of that work since April, 1906. We are proud of the material accomplishments of the past five years; but we want you to know that we men here in San Francisco are working for civic uplift, civic righteousness.

Now, it does not need a banker to welcome an accountant; an accountant is his friend and associate. The modern business world has grown so complex that the relation of the banker is no longer to his client that of perhaps friendly acquaintance, but he is dealing with the more intangible corporation, an absolutely impersonal thing you may say. I do not suppose there is any State in the Union where the old personal touch lasted longer than it did here in California. It came from the fact that the community at best was a small one, that the business interests at least were of firms that were in business here and in commerce that dated back to the earlier days. The firm perhaps existed longer here—that association of men that stood together with unlimited liability, not hiding themselves behind the form of a corporation—than perhaps anywhere in the country. The growth of the corporation here was slower. The fact of the personal responsibility was shown here at the time of the adoption of the new Constitution in 1870, under which we are governed. That Constitution took over as part of its provisions the unlimited responsibility of a stockholder in a corporation. The framers of that Constitution said, "We do not propose that a corporation shall be an impersonal thing; the stockholder cannot sink his identity and responsibility; he must stand out in the limelight." That is the law of the State, as most of you know, to-day. The corporation is not the impersonal thing here that it is in the East. And yet the tremendous growth and power of the corporation are such that the banker cannot deal with it in the same way as in the old time between man and man. He has got to call to his aid in determining credits all sorts of extraneous assistance. And I think it is only right to say that the public accountant, the accountant of training, the accountant who may be de-



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pendent upon for results, is perhaps the greatest outside aid to the banker to-day in placing credits, which is, after all, the fundamental of the banking business.

There was a scholarly paper that appeared this month in the local banking journal by Mr. Rowe of the Local Chapter (applause), defining very clearly the relations between bankers and accountants, and pointing out the need of still further development of the accountant's work in connection with corporation business.

There was one point not touched upon by Mr. Rowe in that article, which if you will allow me for a moment to discuss technically, I shall do. That is an illustration of how tremendously the corporation has grown in the last, say, ten or twenty years, how mobile credit has become and how absolutely we have to depend on some such aid as the accounting profession, as we are doing, when the banks have to grapple with this new question of credit. I have reference to the tremendous extension of borrowing away from home by the manufacturing or industrial corporations. I venture to say that to-day there are many corporations here in San Francisco, whose standing, whose promissory notes, whose credit is perhaps unknown except in a very indefinite way in their own city, except to their own banker, and yet in the interior of Pennsylvania or Massachusetts or Illinois or Wisconsin their note is accepted as a sound credit, and received by the smaller banks in those states.

But after all what operates as a proper basis of acceptance of such a risk by a bank two or three thousand miles from a borrower's home? The old-time reputation of a house of course stands it in good stead; but I am safe to say that there is nothing that counts so much as the proper exhibit of a balance sheet that is certified to by a proper accounting firm. (Applause.)

There have been one or two grave miscarriages of credit in the past few years. I have in mind particularly one in Chicago three or four years ago, and I believe that those losses could have been avoided if there had been a proper supervision of the firm's annual exhibits, and their balance sheets by the employment and certification of public accountants.

This is all to your credit. I cannot, however, but go back to those elemental times after the fire in 1906, when we found that, after all, we could get along very well without many of the conveniences and refinements of modern life. I remember that we got along without baths in this city for quite a number of days. As you know, the spread of the fire was due to the absolute break in the water supply of the city through the destruction of the pipe on the peninsula south of town. I remember the bathtub in the house where I lived in the Western Addition was utilized early in the first days after the fire for a supply of drinking and cooking water. We filled it to the brim and kept it there. Another ideal that was shattered at the same time was the accountants' profession. There were a great many who found they could get along without a set of books altogether. But it shows after all—not in that extreme way—that it was the honesty of men, the honesty for which you men are standing in

corporation accounting that we must rely on. There were some large corporations in this town that lost every vestige of their books through the carbonizing of their ledgers, journals, and day-books in their safes; and yet I do not think there was a single case of failure, of serious entanglement because of such loss. I know in the case of one large wholesale grocery house in town, whose trade lay largely in the interior of the State, that their accounts were reconstructed by inquiry among their own customers. It was in the mutual spirit of help, the help that we got from you men, and that was so seriously needed at that time, that we have been able to accomplish what we can show you to-day.

There is one other fact that I want to throw out. That is, the still wider field that lies before the profession, something I think that even the members of the profession are hardly realizing as yet; and that is the part that they are going to play in the public supervision of the corporations by the state and nation. Perhaps it has been forced on us by the growth of the corporation itself; but you men must all see that the most important question that is facing the Federal Government to-day is the regulation of the corporation. I do not think a more important message has been given the people of the State in the last year than in the address of Governor Woodrow Wilson, when he was here last summer. I think he has put in a homely way, in a more homely way, in a more cogent way than any other speaker or writer I have seen, the nature of the corporation and just the problem that the State and nation have to face.

The corporation is an absolutely impersonal thing; it is not a thing of flesh and blood; it has no sentiment; it is simply something that the State has built up, and if the State has done that it can regulate it.

You gentlemen are going to play a most important part in determining the character of this thing the State has built up. After all, in essence, the corporation is something that can be determined pretty well in the balance sheet as interpreted by you men. I think surely that your professional skill, justly and rightly exercised, is going to be of the greatest value before the legislators of our State and our Nation in the next few years.

I want to say in closing that I want to lay stress, even though you may deem it repetition, upon what President Wheeler said about our eagerness to welcome anyone who comes here with seriousness of intent. It is very well for people to say that we are a country of boundless riches. I nearly started a riot in a Convention in Oregon by saying that the Pacific States were very poor, and were going to stay that way for a generation or so. President Wheeler has a more pithy way of putting it in relation to the University. I believe he said a month or so ago that the University was bankrupt. He did not actually mean that there was not enough money coming in to pay the salaries of the professors and instructors, but what he did mean was that the work being forced on the University by the people of the State was such that it was increasing far more than the revenues of the University. That is the way in



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the West: We have done a great deal in sixty years, but we have only scratched the soil. We are a new country. We have not built our bridges, our buildings, our quays and our wharves as they should have been built. We have been in such a hurry that we have had to do that for the day. Just think of the loss we have through inefficiency of our building construction through fire. They do not have to meet that loss in the old country. It does not matter how fast we accumulate here, because of the development that we must perforce take upon ourselves we will need capital and credit for years to come. That is why we want men to come and see us and stay with us. Besides that we need helping hands for the work that is here. We have a great prospect in the opening of the Panama Canal. There is not a better citizen to-day than the Italian that has come to us from the Plains of Lombardy, and from the Italian Cantons of South Switzerland. We hope for those men in greater and greater numbers when the canal is opened. But we want leaders here such as we feel that you men from the East will bring us.

I have no more to say, except that I hope you will read that article of your associate Mr. Rowe here, because at the same time, you will probably turn over the pages and see some of the advertisements of San Francisco and learn of our existence. (Prolonged applause.)

(The proceedings were here enlivened by music.)

THE TOASTMASTER: My friends of the American Association: The city in which we live is situated on the outermost western rim of the Continent, the farthest west that has been denoted; but far as we may be from the geographical center of our country's activities, there has reached us the message of civic responsibility. As was intimated to you earlier in the evening, we have welcomed you as belonging to a profession which is willing, aye, eager to take its part in the improvement of methods in the application of the rules of common sense to the accounting in municipalities and in commercial undertakings. We have with us this evening one who has for years been in the vanguard of those who are seeking for advance along these lines. We take great pleasure in presenting to you Mr. M. H. Robbins, President of the San Francisco Chamber of Commerce. (Applause.)

MR. ROBBINS: Mr. Toastmaster, Ladies and Gentlemen: There has been a great deal said about tangible and intangible assets. I think we have come down to the intangible ones now—if you will pardon me; there is some one to follow; I forgot.

Your Toastmaster asked me what I was going to speak about. I told him I did not know. I never do know because when I was a small boy I was away at the foot of the class in the one particular which I will take the liberty of mentioning. I went to a singing school. At the first lesson the teacher tried out our voices. The second lesson when we assembled he turned to one boy and he said, "Ward, you sing tenor; Jones, you sing bass; Smith, you sing second bass," and assigned them all here and there except me. I turned to him and said, "Where do I get on?" He

answered, "You get on down the score somehow." So what I will say will be scattering.

But I want to say one thing about system. "My hand of iron was not at the extremity of my arm; it was immediately attached to my head," said Napoleon. He meant that he did not win by particular force, but by gray matter, by careful planning, by effective system. Once at the Battle of Waterloo one of his officers went astray with a small body of men, when Napoleon, without a moment's hesitation, told him just how he could join the rest of his command. Although he had all the details of three great armies in his mind, the great General, by means of the effectiveness of his system, was able to give information to an inferior officer, who only had to think of a small command.

Working or thinking without system enfeebls the mind, and leaves the intellect in a clogged condition so that it does not work freely. The mind must be kept clear and clean for the present problem, so that it may seize and grasp with all its might the thing which it is attempting to accomplish.

There is just one way to learn how to act right, and that way is the way of system.

Learn to systematize your thoughts, your energies, your abilities. Learn this early in life and it will become the master habit which is bound to win success. Men are always surprised that the heads of great enterprises have so much time to devote to social life, to hobbies, to travel. They do not understand it at all. They do not realize that a great organizer with a good system can accomplish more in one hour at his office than a systemless man can in twelve. It is not the hours, but the effectiveness of the system that tells.

One of the advantages of a college course is that it trains the man to work by system. Whether a man is ready for it or not, when the time comes he must concentrate his energies regardless of his whim or how he feels. Four years of such training should put the man in working order. It should tune the intellect, so that all its strings will be in perfect harmony.

If there ever was a delusion in life it is that of doing the thing just for now; dropping the thing just where it happens to be temporarily is not a time-saver; on the contrary, it is a great time-waster, and a demoralizer of character. If you were not taught the beautiful lesson of orderliness in your youth teach it to yourself now. Resolve to put things where they belong at the right time. Do not delay for the future, as the probability is that when to-morrow arrives you will have less time than you have to-day.

Do not leave a lot of idle ends hanging around your desk or your office, as they are signs of weakness; they are evidences of lack of business ability. People measure you greatly by your surroundings. If your desk, your office, or your place of business is in confusion, they take it for granted that you are a poor business man. It leaves a bad impression, and this impression is your profession.

As men communicate their impressions to each other, it is a rare mind



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that is not seriously affected by environment. If confusion constantly appeals to the mind through the eye, it will probably repeat the situation in the mental attitude and in what one is doing. If strong men with highly disciplined minds say they cannot do good work amidst disorder, what can the man of ordinary mental drill produce but botched work? If disorder is in his environment will it not be incorporated in his work?

The trouble with men of system is that they are liable to carry it to extremes; they are liable to have too much of it. I am a great believer in attention to details, but there is such a thing as frittering away one's time in trifles, using up all one's energy in detail so that there is neither time nor energy left for the big things of life.

Many men by force of habit tend to magnify the little things. They can somehow master the big things, but the little things are tyrannical. Many men are so constituted that a small thing left undone worries them more than a big thing omitted.

Many men do not value time. Instead of consulting a clock or a watch they go by impressions, and consequently they are always behind with their work, always missing trains, always late at appointments. I never knew a man who amounted to very much who had not a full realizing sense of the value of time. Most achievers are time-savers; they are misers of moments; and they cannot be that unless they have some well-conceived plan.

"Failure by lack of system" would make a most fitting epitaph for tens of thousands of business men who go on and on like the child riding the hobby-horse which canters violently up and down, up and down, but never gets anywhere in a straightforward direction.

Now, the object of all system is simplicity and facility to insure accuracy with dispatch, to take care of and keep track of the details in the easiest way that is consistent with efficiency. Any system that does not accomplish that is a hindrance.

And now I simply want to say that we business men, fully realizing your knowledge and your honesty, gladly entrust our future and our business in your guidance. We know that it is in good hands, and we know that you will lead us on to still greater success. (Applause.)

THE TOASTMASTER: My friends, your Toastmaster is going to turn your attention somewhat abruptly from the consideration of gumption and the control of corporations, and of system, and propose to you a toast to which Mr. Gore will respond, a toast which is old and which is yet always young—the ladies.

MR. GORE: Mr. Toastmaster, Ladies and Gentlemen: When I was first invited to address this banquet, I was requested by a prominent member of the California Society to give something light. It is only fair, however, to him, to say that the subject matter was not discussed at that time.

Before considering the subject which has been announced, it seems proper at this point that some one should express some appreciation. We who come from distant states and are your guests, desire to express to you, gentlemen and ladies, our appreciation of the high form of enter-

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tainment that has been provided for us. We desire to tell you how much we appreciate what you have done, how pleasant our stay has been made, and to thank you most sincerely, not only for the entertainment referred to, but for the educational value of the addresses we have had the pleasure of listening to to-night. (Applause.)

We who come from more populous states,—states having larger societies of public accountants,—appreciate well the labor that is involved in entertaining the American Association of Public Accountants in its annual convention, and we therefore fully realize the trouble you have taken, and congratulate you most heartily upon the success you have attained. (Applause.)

And this appreciation of your efforts leads us then into an appreciation of the toast that has been proposed or, rather, the subject of that toast—the ladies. I would change that and say “the women.” (Applause.)

I never liked that word “ladies.” It implies a class distinction that does not exist. A woman is the highest form of the feminine gender. (Applause.) She needs no title to glorify her.

In considering the ladies, it is difficult to know just where to begin—or, rather, in considering the women, to correct myself and get in line with my own doctrine. (Laughter.)

Perhaps our appreciation might start back, back into the years when we first felt a soft and gentle presence. We felt the touch of a kind hand, and finally came to know the cadence of a kind voice. We remember the care of childhood, the hand that smoothed the fevered brow when we tossed upon our little beds; the hand that guided us on, on through life until we were able to make our own way; and the kind eyes that followed us when we were on that way. Perhaps that should be our first thought.

And then we think, again, of how we tip-toed to the bed and had shown to us the little tiny mite of humanity who was said to be our sister. And we then recall how she came along and was finally able to toddle and run after us and take part in our games. And then how she grew up and married and after awhile brought back a little girl of her own of whom we were proud. And then—and sometimes it is a question whether she was not the most important of all—the girl whose beauty, whose charm of manner attracted our boyish fancy, of whom we grew more and more fond, and to whom finally we offered all that we had, and who, in her graciousness, accepted the little that we had—joined hands with us and undertook on equal terms the journey down the path of life. (Applause.)

It seemed then that there was no other woman, and it seemed so for some time, perhaps. But finally one day there was placed in our arms a little daughter; and the puzzle became even more a puzzle as to who was the greatest woman in all the world, the dear old grandmother sitting by the fireside working with her yarn, the busy wife and mother making a home by attending to the wants of the little one and of yourself, or the little one, whose hands were fast entangling themselves with your heart and causing a new and strong love to grow up within you.



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I suppose that question as to who is the greatest woman will never be wholly satisfactorily answered. It is very hard for any man to say that any woman deserves more praise, more of love, more of adoration than the grand old mother who brought him forth and cared for him and brought him into the fullness of manhood; or than the wife, who had shared his troubles and his joys; and who has done still more by bringing to him the little daughter, whose growth in mind and in health and strength, whose maturity, is a matter of the greatest pleasure, and of the deepest gratification; or that daughter herself, who, developing, manifests those traits of character which the father must know have come from him (laughter); not that they may be commendable characteristics, not that they may be wholly agreeable; but that this child is reflecting some of *his* characteristics, and therefore is entitled to *his* care,—to his most earnest devotion in all things that make for her material benefit, or advancement.

But let us not attempt to solve the question of which is the greatest woman, for it is beyond solution, but let us join in an appreciation of all the women; let us join in giving expression to the well-established truth that wherever great things are accomplished, wherever good things are being done, there is abroad the influence of a good woman. The world has never witnessed the accomplishment of a single essential thing of any importance or that was for progression that could not be traced back to the co-operation of a good woman or of good women. (Applause.)

I had no idea when I arose a few moments ago of making even a remote reference to politics; but it occurs to me that it would not be improper to suggest at this point, that, recognizing the worth of woman, recognizing what she has given to the world, recognizing that without her the world would be a dreary waste and wholly unfit to live in, recognizing also that after five years of residence in the United States, we admit to full citizenship, with all its glory, the ignorant former inhabitant of southern Europe, and that we have already crowned as a citizen of this country the dusky son of Africa who happened to be born here—would it not be a good thing to hand over the same measure of citizenship to our mothers, our wives and our daughters? (Loud and Prolonged Applause.)

THE TOASTMASTER: Ladies and Gentlemen: The hour is growing late, and I know that you will all appreciate a few words from our President. I am reminded that we have among us a very promising junior member who has this day attained his majority, Mr. Montgomery. (Laughter and Applause.) I am sure that Mr. Suffern will find that a fitting theme with which to open his remarks. (Applause.)

PRESIDENT SUFFERN: Mr. Toastmaster, Ladies and Gentlemen, and Fellow Members: Surely no more inspiring text could possibly be offered than this very happy fact that has been brought to our attention, that one of our brothers, whom we have known from his infancy, for whom we have entertained very great hopes, who has caused us many disappointments, at last has reached the age at which he can claim to have become a man and to enter upon the duties and responsibilities of manhood. Some of us have watched with great solicitude over that gentleman's early ca-

reer. We have really hoped much for him and much from him; and to-night, while he has not altogether justified our expectations, because they have been very high, we still believe that if years be granted him he will attain to the standard which we have set for him and towards which we, as his sponsors, have undertaken to assist him. I know you will join me in that wish, and will trust that in the years which may lie before Mr. Montgomery, he will continue in the way in which he has started out.

He has one great advantage which is not often given to a man of his few years: He has associated with himself in life a partner of whom we cannot say that we have any higher expectations than have been realized. That would be quite impossible, but who I know, and who you all know will assist him in that career of advancement, attainment, and elevation and purpose which has been marked out for him.

We have now approached the end of this very delightful convention. To some of us has been given the opportunity of meeting together from time to time, and with each such occurrence, there has been emphasized in our mind the thought that these gatherings do not mean so much to us, perhaps, in the way of education or professional inspiration, much as they have done this, but that they are more to us in the opportunity which they afford us for meeting and knowing one another; not only enlarging the number of our acquaintance among our colleagues, for which we are always grateful, but the opportunity of knowing each other better. And I bear my testimony most heartily and gladly to the fact that these opportunities have been to me, at least, and I believe to nearly all of us, opportunities which have resulted in great pleasure; our respect for one another has increased, our liking and belief and confidence and faith and hope in one another have been greatly enlarged; and I consider that this is perhaps the greatest single advantage which accrues to us from these gatherings.

It has been said several times during the course of this Convention that to us as accountants this is a time of very considerable importance. The trend of events is such that he is a wise man who can forecast just what the future shall hold for us from that which has already come under our observation.

The recent decisions of the United States Supreme Court in the matter of the dissolutions of the large corporations, the Standard Oil, the Du Pont Powder Company, the American Tobacco Company, mean at least this: That there is a retarding effect which will be felt upon certain forms of development of business; and yet the results of these decisions I believe has been approved by the commercial conscience of a large part of our people. I believe that the people realize to-day that these decisions mean the authoritative declaration on the part of the Government that the Government and the law are superior to any corporation, however large; and to the extent in which that is being believed, there has come a feeling of relief for the people at large.

For a long time this has not been true. There has existed a feeling among the people that the rights of the people have been subservient to



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the corporation, that the courts and the legislatures have been dominated by what have been called the "big interests," and the rights of the people become to an extent sacrificed. And in so far and in so much as these decisions mean the contrary, by just that much do I believe that there has come a feeling of relief and assurance that the people are coming again into their own, and that the overlordship of the people has been re-established.

Now, whatever our own personal views and relations may be to the large corporations, I do believe that it is a gratifying fact that there has come a time when there is being created a feeling of security among the people and a feeling of restfulness where there was unrest.

The attitude of the corporations themselves in respect to the law, their attitude toward the law, has become remarkably changed within the last few months. Those of us who have opportunities of observing this will certainly agree with me in this statement. The corporations themselves to-day are extremely solicitous with respect to the law, not as in very recent times trying to discover methods by which they might evade the law, but to know the way in which the law may be complied with. I consider that that, whatever effect it may have upon our own immediate fortunes, is something that is very well worth while.

There have come also before us lately, new manifestations in the political sphere. I say "new manifestations" because they are the new ideas which have been crystallized in legislation. They have for their fundamental theory the proposition that the people shall dominate and that the people shall assert themselves in political matters in a way in which they have not done heretofore. Provided that be true and the people shall so assert themselves, then we may hope for greater advancement than we have ever seen before. The man is blind who does not see that to-day there has come and that there is coming an evolution along certain lines. There are being evolved new standards of political morality, new conceptions of the relations of men in their several aspects, of employers to employees, of the duties of the States toward their children, toward their dependents, toward their delinquents, toward their unfortunates; new judgments concerning the obligations of corporations, and particularly of public service corporations to the public which they undertake to serve; and all these things together in my mind mean this, that there is to come about a readjustment in our industrial life; and in order that that readjustment shall be right, and in order that the proper relation shall be maintained, I believe that there will be a demand for our services in new spheres and in new ways, and in new degrees, such as we have never seen before.

It is rather interesting in passing—a matter which has interested me personally, and given me sometimes considerable thought—often, for that matter—to observe what I may call the parallelism between the evolution of our economic and social affairs which have taken place in the past. The age of feudalism, to go very far back, resulted because of the dangers which small holders of property experienced through the

attacks and oppressions of their stronger neighbors; and because of such oppressions a number of them were forced to come together and put themselves under the care of a feudal lord in order to conserve their own rights. The rights being amalgamated of course became substantial and were maintained, quite true, by force, but nevertheless were maintained and preserved. Something of that sort we have observed in our own industrial life, where the smaller ones engaged in business have been forced by extreme competition, because of oppression, perhaps, of some, to group themselves together in what I may term to be the feudal form. It took more than three hundred years for the feudal period to be created and rise and fall; and very slowly afterward was evolved the conception of the state as we understand it to-day, that conception which never yet has been reached—the fullness of it—but the conception, that there should be a dominant overlord in the form of a state, whose power should be exercised equally, indiscriminately and impartially for the benefit of all. Very rapid has been the evolution in our industrial life. The age of feudalism has come and is passing now, perhaps within the easy memory of many of us who are still middle-aged; and just as there came the adjustment of the individual to the State, and that without so much turmoil—the conception of the State, just so I believe there will come the readjustment of the rights of the people. But we shall be required to assist in that readjustment; and my hope is that as these new duties and as these new complications shall be imposed upon us, we shall be found entirely responsive and adequate for such responsibilities.

Dr. Wheeler has spoken here to-night of the opportunities which are accorded men for education along the lines of those which govern our practice. He cannot place too much emphasis upon the exceeding importance that as new duties arise we shall be found adequate for them; and we can be found adequate for them only to the extent and measure that we shall educate ourselves through informing ourselves of these changes, through appreciating what they mean, how they are coming about, and the end toward which they tend. I know that I express the feelings of you all when I say that none of us wants to be found lacking in this.

As a second proposition, of our need of adequacy—I would speak of our need of class, of professional consciousness. I agree with Dr. Wheeler in what he says about class consciousness in the manner he spoke of it; but I believe that we need a certain form and degree of class consciousness in order that we may realize what our class responsibilities and duties are, and to the extent that those responsibilities and duties are imposed upon us, I trust that that class of professional consciousness and conscientiousness shall be engendered in us.

And lastly we need to have the people know that when the occasion arises, and it constantly arises more and more, there is a class of people who are striving to make themselves efficient to meet the demands of the new occasion.

We have expressed our gratitude to the California Society for their hospitality, which we have enjoyed to the full. We appreciate all that



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they have done for us, the variety which they have offered us in form of entertainment and enjoyment. We shall forever, those of us who are here, remember this with pleasure. We are grateful to all who have come with us to-night, to those members of our families who have come with us from distances, to those ladies of California who have graced this occasion with their presence; we are grateful to you all.

And now the Convention, the 24th annual convention of the American Association of Public Accountants is declared closed. (Applause.)

## REPORTS OF OFFICERS

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### Address of the President

As we meet in this Convention, it is desirable that we should review the history of the past year, in order that we may gain from it such encouragement as may be our due, or learn from it any lessons which it may be entitled to teach us.

The year has not been without its encouraging features. Not only has there been a gain in membership, which we may properly expect every year, but there has been an advance along certain lines of opportunity which we will later consider. The gain in membership strength is 102. This is not a specially large increase, but it is a reasonable growth, all things considered, and it makes our number 1090, including duplications of membership of individuals in two or more Societies. It is quite certain that this number may be considerably increased if every effort be put forth by the officers of the several Societies to enlist in their own membership every eligible person.

The greatest strength of any organization, however, does not come through mere mathematical additions, however important these may be, but through the development in the organization of a common spirit which may inform us with a common zeal and a common purpose.

It is gratifying to know that to a certain extent this experience is true. Very many of our members, not only those who serve on Committees, but others as well, are deeply interested in the success of the Association, alert to its needs and ready to do all in their power towards its advancement. If this were true of all, our progress would be signal.

During the year the Accountants in several States have been much interested in securing beneficial legislation. C. P. A. bills were introduced in Wisconsin, Kansas, Oklahoma, West Virginia, and North Carolina, but no laws were enacted except in West Virginia, where the bill was passed. Unfortunately, this law is very defective in some particulars. Evidently the interest in securing such legislation is growing and is in a sense



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gratifying, but I desire to emphasize the remarks of my predecessor in this connection. In his address last year, Mr. Sterrett said, "Legislation of this type, whether for accountancy or any other profession, is justifiable only on the ground that it promotes the public welfare, the benefit, if any, to the individual practitioner being incidental and purely subordinate."

With this view I am heartily in accord. C. P. A. legislation is desirable, but in order that it should be desirable it should be proper and that means that the interests of the public should be safeguarded, so that they may not be misled through supposing they are securing protection where none exists. Legislation which confers the title of C. P. A. without demanding as a prerequisite the educational and practical experience, embodied in our best laws, should be discouraged rather than aided. It is a grave question, also, whether or not it is wise at this time to encourage legislation in any State where there exists small need for the practice of accountancy, or where but very few accountants are engaged in its practice, and whether such legislation should not be left for the future when the need shall be more manifest and declared.

Efforts were put forth in New York State to secure some special legislation in the interests of accountants. A carefully drawn bill was introduced at the last session of the Legislature, for the purpose of permitting the Courts, at their discretion, to retain accountants in matters in which accounts were material, the costs of such services to become a part of the Court charges. This bill passed both houses, but was vetoed by the Governor, much to the regret of the supporters of the bill.

As set forth more fully in the report of the Committee on Federal Legislation, the Association has also been greatly interested in endeavoring to secure an amendment to the Corporation Excise Tax bill, and the members have been kept well informed concerning these efforts through the active correspondence which has emanated from the Committee. The earnest co-operation of the members with this Committee is urgently solicited. Such co-operation, it is believed, will prove of large value to us, as accountants, if we should be successful in securing the passage of the amendment at the next session of Congress.

The secondary value will be larger perhaps than the imme-

diate. If a law shall be enacted by Congress which, to some extent at least, shall be recognized as a measure advocated by accountants, it will do more to extend our influence than anything else that has ever happened.

The President, in his address last year, mentioned the recognition which had been extended to this Association by the National Civic Federation, and the American Economic Association. The former renewed its invitation to us to be represented by a Committee at its annual meeting in New York last spring, and we were so represented. We were accorded official representation at the annual meeting of the Economic Association held in St. Louis last December, where papers were prepared and read by some of our members at the Special Accountancy Session, while other members participated in the discussions. We have also been invited to be present at the meeting this month in Richmond of the International Tax Association. This increasing recognition by other civic and progressive organizations is, I trust, only an earnest of a more general acknowledgment of us, as an organization, existing not only for our mutual benefit, but as one embodying distinct aims and purposes for the larger common good.

While there has been little direct legislation affecting our Association, the general trend of events, as well as some special legislation that has been enacted, must exert a marked influence upon our profession. So closely are we associated with the activities of our country and so dependent upon their progress, that we are directly affected by whatever affects them. It takes little observation to realize that the conditions under which business has been transacted for the past twenty years are in a state of change. Principles of conduct, which seemed to be well established, have become unsettled, new principles as well as new practices must be evolved, in order that there may result an adjustment with the new conditions.

For several years we have been familiar with the cries for control of corporations and regulating publicity of their affairs, but never within a single year has so much happened towards the consummation of these purposes as within the year since we last met together; and it is safe to say that never within the commercial history of our country have men been in such doubt



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as to their proper conduct in respect to the laws as at present. Men have always been concerned as to the wisdom of their acts having regard to business success, but it is a curious fact that to-day there exists so much perplexity as to the legality of acts which heretofore have been regarded as wholly natural and logical.

This novel situation has been largely complicated through the recent judicial decisions, and it now becomes necessary that there should be a close study of the new conditions governing business, in order that the proper adjustment to accommodate them may be made. If, as now seems probable, an Income Tax shall be enacted, it may be that we shall find a new phase of business developed, if the experience of our English brethren be any guide.

These and other causes combine to make this a time of great interest and almost vital importance to every corporation, and it is for this reason that we as accountants should and do realize that this is the day of great opportunity for us. Whether the laws already enacted, or those which are to follow, be purposeful, logical and consistent, or whether they be inconclusive and inept, it is at least certain that there must result changed relationships between the government and the corporations, as well as changed methods of conducting their affairs. It is in situations such as these that the trained powers of observation, analysis and deduction become of greatest value, and these powers are supposed to constitute part of the equipment of all qualified accountants.

The word, "qualified," connotes education, and it is with very great pleasure that we can speak appreciatively of the large opportunities now provided for the study of the science of accountancy. Every year sees new progress in this direction, and the fact that old and conservative institutions are establishing schools of accountancy and cognate courses demonstrates the fact that there exists a need for them and that this need is recognized. The splendid work which is being done by some of our own members, in developing and carrying on such instruction, is something of which the Association may well be proud. The Report of the Committee on Education will be found well worth consideration, and the Committee is entitled

to much credit for its preparation. Too much emphasis hardly can be laid upon the great importance of systematic study in order to prepare the accountant for the practice of his profession. Not only does it enable him to understand the underlying principles which he will need to apply, but it develops in him the habit of study, and it is perfectly safe to say that this habit will find large opportunity of exercise throughout his entire professional life. Because of the fact that so many of the C. P. A. Laws are either defective in themselves, or defective in practice, it follows that the title C. P. A. may stand for much or nothing, as the case may be. It, therefore, becomes highly important that the individual should be qualified to stand on his own merits, as indeed he must do eventually in any case.

Allied with the thought regarding the education of the accountant, is that of the acknowledged organ of the Association, the *Journal of Accountancy*. Since its inception, this *Journal* has been devoted to the interests of the profession in every phase thereof. It has had no other reason of existence. It has uniformly and consistently stood for the larger education of the accountant, for the best standards of practice and conduct and for enlightenment and instruction in all matters affecting our interests. During these years, it has been assisted through annual appropriations made in our Budget for its support, but outside of such assistance, the measure of aid afforded it by accountants has been disappointing. It has, it is true, been largely dependent upon members for its contributed articles, but the number of such contributors has been small, and it is a highly regrettable fact that only about one-quarter of our members are subscribers to the only periodical published which is wholly devoted to accountancy.

Every effort has been made to interest our members in this *Journal*, but all have been unproductive so far as increased subscriptions are concerned, and the publication must be abandoned unless this Association shall assume the responsibility of its continuance. The Trustees are in accord in believing that it would be most unfortunate to lose the support of this special organ, and to allow it to die after it has lived for over six years. To save it, the Trustees have decided to recommend that the Association assume the responsibility of its publication. In order



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that this may be done, they have recommended that the contribution of the Association be continued, and that the new Secretary be made editor of the *Journal*, in addition to assuming the other duties of his office. The *Journal* has been for the last two years self-supporting, and if the members will endeavor to increase its circulation among the non-subscribers, there is no reason to expect that it may not prove a source of some income.

The President feels that a special acknowledgment is due to Mr. Herbert G. Stockwell, of Philadelphia, for his efforts toward the progress of the work of the Committee on Accounting Terminology. At the last meeting of this Association the matter was referred to the Executive Committee to formulate a plan for the carrying on of this important character of work. In the opinion of the Committee, it was deemed best to make the attempt to secure some one member of the Association who might be charged with the duty of communicating with other members and endeavor with their co-operation to produce definitions of a restricted number of accounting terms, it being believed that in this way some fairly authoritative definitions could be obtained and the list be increased from time to time as fast as possible.

In accordance with their judgment, the request was made of Mr. Stockwell to assume this onerous and somewhat ungracious duty, and notwithstanding the many demands upon his time, he consented so to do, and has presented the result of his labors in the form of a report, which will be found among the other reports of the Committees. The Association, unquestionably, will recognize the generous spirit and labors of Mr. Stockwell.

The Trustees are pleased to announce that they have every expectation that within a very few weeks the Association will enjoy the services of the Executive Officer, whose relations to us have been for so long a matter of consideration and discussion. With his election, it is hoped that the Association will progress more rapidly than ever before. We hope that through his efforts we shall be able to bring the Association and the Association idea more closely in touch with the several constituent organizations, than has been possible heretofore. If we are to advance, as an Association, this seems imperative, for only through such closer contact can we exercise any effective influence over

proposed legislation, and advise concerning it. If the Association through its Committees had been able so to counsel and advise concerning some of the recent C. P. A. laws, it might have resulted, either that better laws might have been enacted, or else none at all — and better no law at all than one vitally defective. It is thought that the work of the Secretary will be especially valuable in stimulating a more marked solidarity of interest between the societies and the Association. We all recognize the difficulty which exists in securing the interests of the individual member in his own State organization. To many there seems nothing to be gained through such membership or through giving up some part of their time and effort towards the work of the Society. Everything is looked at from the standpoint of immediate and individual profit, and nothing at all is seen beyond that. It is only when one gets a conception of the value of service that his interest increases; then he sees that whatever is for the advantage of the many is necessarily of advantage to the one, and that as he contributes to the general good he himself derives personal gain. As this difficulty affects the individual member's relation to his State society, it more emphatically exists as to his relation to this Association. This seems more remote still, and because of the peculiar character of our membership, the individual appears to have less influence than he otherwise might have. This is not true, however; all work must be carried on by individuals, it cannot be done otherwise, so that his relation to the Association is just as intimate as it is to his own Society and to develop the acknowledgment and appreciation of this relation will be part of the Secretary's work.

We hope, too, that he will be able to perform great service, in securing a larger knowledge and recognition of accountancy and what it stands for, among the general public. The greatest single problem which it appears to me confronts us is, how shall we educate the business public to understand what we are and what we can do; to cause them to realize that there exists a body of men who through study and practice have fitted themselves to deal with all questions which relate to Accounts, and whose standards are such that the answers they give to such questions shall be competent, truthful and exact. Through



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proper mediums and in proper ways, it is thought the Secretary will be able to develop this larger recognition, but the greatest factor in such development will remain unchanged, and that must ever be the result of our own accomplishments.

We have, in the few years since accountancy has been known in this country, accomplished much. We are entitled to believe we shall continue to advance, and that we may advance worthily is, I am sure, the desire of us all.

### **Report of the Treasurer**

#### **BALANCE SHEET—31st August, 1911.**

<b>ASSETS:</b>	
Cash in Banks .....	\$1,073.88
Secretary, Petty Cash .....	\$50.00
Treasurer, " " .....	25.00      75.00
Dues unpaid .....	210.00
Year Book, 1910 .....	51.61
	<u>\$1,410.49</u>

#### **LIABILITIES:**

Dues paid in advance, Georgia .....	\$ 40.00
Amount to credit of Accumulated Funds Account at close of business, Sept. 30th, 1910 .....	\$2,072.69
Less amount, closing account of 1909 Year Book .....	\$ 51.00
Less excess expenditure over Income at close of business, 31st Aug., 1911, <u>651.20</u> <u>702.20</u>	
Accumulated Funds at close of business, 31st August, 1911, (reducible by non- receipt of Dues unpaid) .....	1,370.49
	<u>1,410.49</u>

Memo: The above balance was further reduced by appropriations made by the Trustees, and ordered paid.

#### **INCOME FOR TWELVE MONTHS.**

(All dues were charged as for one year.)

<b>ANNUAL DUES:</b>	
State Societies .....	\$3,606.25
Fellows at Large .....	880.00
Associates at Large .....	155.00
<b>INITIATION FEES:</b>	
Associates at Large .....	30.00
Interest from Bank on deposit .....	64.60
	<u>\$4,735.85</u>

# American Association Year-Book

## EXPENSES

(For eleven months)

Oct. 1st, 1910, to Aug. 31st, 1911, inclusive.

	Appropriation.	Unexpended.	Expended.
Stationery and printing .....	\$600.00	\$16.88	\$583.12
Postages, Express, Telegrams and sundries .....	300.00	31.51	268.49
Journal of Accountancy ....	1000.00	83.34	916.66
Secretary's services .....	1200.00	...	1200.00
Annual Meeting .....	400.00	...	400.00
Committees — Legislation ...	150.00	150.00	...
Arbitration ...	150.00	150.00	...
Press and Publicity ....	100.00	100.00	...
Executive ....	250.00	242.00	8.00
Year Book, Free Copy .....	200.00	...	200.00
Appropriated .....	4,350.00	773.73	3,576.27
Unexpended .....	773.73		
Expended .....	\$3,576.27		3,576.27
Other expenses authorized by Board of Trustees, and paid from Accumulated Funds —			
G. Wilkinson,			
Chairman, Guarantee Fund ....	\$210.78		
Emblems for past presidents ....	150.00		
Federal Legislation Committee ...	450.00		
Additional remuneration to Secretary Roberts, five months at \$200., to 31st August, 1911 ....	1000.000		1,810.78
Income Account .....			5,387.05
			4,735.85
Balance, being diminution of Accumulated Funds .....			\$ 651.20

## Report of the Trustees

Three meetings of the Board have been held during the past year, as provided for in the By-Laws.

At the meeting in April, 1911, in New York, fifteen of the Trustees were present and the affairs of the Association have received their due consideration at the hands of your Board.

Our membership has increased 102, including the members admitted at the meeting of the Board on the 18th instant upon a report of the Committee on Examinations, Qualifications and Elections. Our membership is now 1149 — which includes, however, members who have membership in more than one society.

The auditors' report shows a credit to the surplus of the accumulated funds, amounting to \$1370.49, which is a shrinkage of \$702.20 from the balance shown last year, and emphasizes very strongly the fact that our limited resources are not sufficient to allow us to undertake many activities which it might be advantageous for us to perform, and that we need to exercise great care and to maintain the proper relation between our in-



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come and our expenditures. The budget submitted by the Appropriations Committee has been approved by the Board.

During the past year the Board has given serious attention to the matter referred to it at the last Convention; namely, the engagement of an Executive Secretary, and has to report that, after much deliberation by the Executive Committee and the submission of the Committee's recommendations to the Board, the Board has approved by a mail vote such recommendations and has authorized the engagement of the gentleman so recommended, but his name for the moment is withheld because of the fact that the negotiations with him could not proceed to definite conclusion before this Convention. In justice to him, therefore, and so as not to disturb his present relations until such time as the negotiations are concluded, his name is omitted from this report.

The matter of the Committee on Accounting Terminology, which was likewise referred to the Board of Trustees, at the last Convention, has received their attention and the results of the Committee's work will be found among the reports. The Trustees desire to express their thanks to the gentlemen who have so greatly contributed to the interests of this Convention through their preparation of the highly interesting papers, to which we shall have the pleasure of listening, and also desire to express thanks, on behalf of themselves and of the Association, to the California State Society of Certified Public Accountants for their hospitality and courtesies.

On behalf of the Board,

EDWARD L. SUFFERN,

*Chairman.*

## REPORTS OF STANDING COMMITTEES

### Report of the Executive Committee

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

At the meeting of your Board on the 10th of April, 1911, a full report of the action of the Executive Committee was presented. Since that date, the Committee has held two meetings, which together with the nine held previously make a total of eleven meetings during the course of the year.

At the meeting on June 28, a resolution was adopted under which the President was authorized to proceed in his discretion with the negotiations with Mr. C. Bertrand Thompson for the office of Executive Secretary, and to embody his recommendations in a communication to the Trustees, requesting a mail vote thereon.

All matters appertaining to the interests of the Association which have come to the knowledge of the President or Secretary have been duly presented to the Committee, but no action was taken upon any special matter, with the exception of a suggestion which was made by the President of the New York State Society of Public Accountants to the effect that some arrangement might be made amending the rules and regulations of the Association, so that the Trustees could be given some liberty in the matter of admissions. A resolution was passed that the question should be referred to the Committee on By-Laws, with a request that they report at the next meeting of the Association, with any recommendations that they might see fit to make in this connection.

The finances of the Association have received the careful supervision of the Committee, who have audited all bills prior to their payment.

Respectfully submitted,

EDWARD L. SUFFERN,

*Chairman.*

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### **Report of Committee on Education**

DENVER, Colorado, August 10, 1911.

TO THE PRESIDENT OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

Your Committee on Education found upon investigation that the work done heretofore by similar committees had not been in an organized manner, and therefore it decided to map out a line of investigation and work which may be pursued by following committees, so that it might result in regular annual reports of the same nature which may ultimately become of value. It was, therefore, necessary that some inquiries be made preliminary to the planning of future work. With this in view, the following circular letter and blanks of inquiries were sent to all the state universities, and in addition thereto, to such institutions of learning of the university class as had either over one hundred instructors or over one thousand students.

May 16, 1911.

DEAR SIR:

The Educational Committee of the American Association of Public Accountants is very anxious to learn the exact status of higher education in commercial subjects as reflected in the curriculum of the institutions of higher education at the present time.

You are doubtless aware that the need for instruction in higher business methods is very much felt all over the country. It is a subject which has been taken up and discussed at almost every educational meeting which has been held during the past few years. This committee desires to record the progress made in commercial education as such progress is made from year to year.

We would, therefore, like to ask you to be kind enough to answer the inquiries on the enclosed sheet as accurately as may be possible and return it to the chairman of this committee at as early a date as convenient.

We appreciate that some work may be entailed in answering the enclosed inquiries, but we feel that this committee cannot properly reply to the inquiries which it is receiving in regard to what thus far have been found to be the subjects best adapted to be taught in a commercial course in higher education unless it can obtain the experience of existing educational departments.

We trust, therefore, that you will be kind enough to make an extraordinary effort to comply with our request.

Thanking you in advance, we are,

Yours respectfully,

EDUCATIONAL COMMITTEE

By .....

*Chairman.*

P. S.—If you have a commercial department, kindly send us your catalogue of the same.



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	Hours in class work given.	Estimated hours re- quired in preparing for each hour of class work.
<b>ECONOMICS</b>		
1. Business Economy .....	.....	.....
2. Railroad Transportation .....	.....	.....
3. Industrial History .....	.....	.....
4. Public Finance .....	.....	.....
5. History of Banking, Money and Credit..	.....	.....
6. Industrial Values .....	.....	.....
7. Railroad Traffic Problems .....	.....	.....
<b>COMMERCIAL LAW</b>		
8. Contracts .....	.....	.....
9. Agency .....	.....	.....
10. Partnerships .....	.....	.....
11. Negotiable Instruments .....	.....	.....
12. Property—Real and Personal .....	.....	.....
13. Corporations .....	.....	.....
14. Receivers .....	.....	.....
<b>ACCOUNTING</b>		
15. Philosophy of Accounts .....	.....	.....
16. Practical Banking .....	.....	.....
17. Practical Accounting .....	.....	.....
18. Auditing .....	.....	.....
19. Accounting Problems .....	.....	.....
20. Accounting Problems Advanced .....	.....	.....
21. Accountancy of Investment .....	.....	.....
22. Railroad Accounting .....	.....	.....
23. Accountants' Reports .....	.....	.....
24. Advanced Auditing .....	.....	.....
25. Accounting Procedure .....	.....	.....
26. Accounting Systems .....	.....	.....
27. Insurance—Life and Fire .....	.....	.....
28. Cost Accounting .....	.....	.....
29. Corporation Finance .....	.....	.....
30. Private Auditing .....	.....	.....
31. Commercial Arithmetic .....	.....	.....
<b>MISCELLANEOUS</b>		
32. Advertising .....	.....	.....
33. Real Estate .....	.....	.....
34. Journalism .....	.....	.....
35. Consular Service .....	.....	.....
36. Business English .....	.....	.....
37. Spanish .....	.....	.....
38. German .....	.....	.....
39. French .....	.....	.....
40. (List on the reverse those subjects given but not entered above.)		

LIST OF INQUIRIES SENT TO ONE HUNDRED UNIVERSITIES.

- In what studies do you use text books?.....  
In what studies do you give lectures only?.....  
For what studies do you distribute a syllabus or synopsis of lectures?  
.....(Designate the studies in reply to the above 3 questions  
by the numbers used in the list herewith.)  
Number of professors engaged in above subjects.....  
Number of instructors engaged in above subjects.....  
Number of persons giving occasional lectures only.....  
How many of the above are practicing public accountants?.....  
Number of students taking full commercial course.....  
Number of students taking partial commercial course.....  
Number of above contained in the 1910-1911 Freshman Class taking full  
course.....  
Number of above contained in the 1910-11 Freshman Class taking partial  
course.....  
(The above figures should be given for the season ending this summer.)  
What degree do you confer for the completion of study in commercial  
subjects?.....  
How many hours are required for the degree?.....  
How many hours are required for the commercial subjects alone?.....  
Have you a distinct and special department, such as in the Universities  
of New York, Pennsylvania, Denver and the Northwestern of  
Chicago?.....  
Is your commercial department merely a branch, so to speak, of the de-  
partment of economics?.....  
Is your commercial department merely a branch, so to speak, of the de-  
partment of arts?.....  
Are your commercial classes strictly night classes?.....  
Are your commercial classes strictly day classes?.....  
Are your commercial classes held both at day and night?.....  
Kindly give name of professor or dean at the head of commercial de-  
partment.....  
Do you permit as special students in the commercial department those who  
could not otherwise regularly matriculate?.....  
May students take an examination without having attended the  
classes?.....  
May a student take a three years' course in two years or in one year as  
in other professional courses like law?.....  
Is the commercial course open to undergraduates or must the matriculant  
possess a degree?.....  
Do you consider such a course as you give in this direction a training for  
entering the profession of accountancy?.....  
If so, what results do your students get in taking C. P. A. Examina-  
tions?.....  
Has your Department of Commerce any course which provides an equiva-  
lent to practical experience, such as a dispensary in a law or medical  
school?.....

One hundred letters in all were thus sent out, with the result that 43 replies were received. The organizing of the committee and preliminaries in working out its plan of work had occupied so much time that there was not sufficient left to send a follow-up letter in order to obtain replies from the other 57 institutions, or for writing letters in order to obtain additional and more complete data than that furnished. The committee, however, is able from the replies received to make a tentative report which will be subject to correction in the future.



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Of the 43 institutions replying out of the one hundred addressed, 23 informed the committee that they had no specific department of commerce and accounts, nor any courses in this line. Of those which replied that they had a separate department, your committee classifies two as merely commercial colleges and not schools of commerce of a university standing. This leaves 18 institutions which replied that they had a department or courses in commerce, finance and accounting.

These 18 may be separated into two principal divisions, those aiming to give the college student a business training, and those aiming to give the business man a college training. These two diverse aims are responsible for the great diversity in subjects taught and the importance attached to each subject. Which of the two aims is the better is difficult to judge at the present time, but it is apparent that the university and college managements are endeavoring to answer this question.

A remarkable statement is found in a circular of the University of Illinois, which is as follows:

"Such statistics as are obtainable show that the college and university trained man who enters industrial life quickly passes his competitor without such training and reaches a permanently higher level of income at an earlier period. It has been shown, for example, from the statistics of over 100 firms that the non-college men enter business life at an average age of 18, at \$3 per week, that they reach the rate of \$15 per week at the average age of 26, and that only one-fourth of them ever get much more than this.

"The figures for the men who had a college training, however, showed that they entered business at the average of 22 at wages of \$9 per week; at the average age of 24 they were obtaining \$16 per week; and at the average age of 27, \$22 per week. At that average age they were therefore in advance of the non-college men, and the figures show that 85 per cent of them were still advancing.

"In short, the would-be business man must follow the course that the prospective lawyers and doctors have been obliged to follow. They must get training in the schools and not in the offices. Of course, this does not mean that all one's knowledge and training can be obtained in the college or university. Experience is necessary."

If the figures given here are based on information which may be termed reliable, it will not be difficult for anyone to answer the question, for what will the results be if we make a college-trained man out of a person who is already a good business man with experience? Furthermore, it would seem, under the present public demand from universities for more practical education than that of liberal arts, and the universal demand by business men for better commercially trained young men, that we accountants should aim in the direction of giving the business man a college training. If we properly train the business young man in the sciences of commerce, finance and accounts, the natural result will be that the profession of accountancy as a profession will become better known and elevated and that then the accountant will not be called upon to do a large amount of work which belongs either to the business man or to his principal assistant, the bookkeeper.

We might further state it is the opinion of this committee that a business training to a college student is of immense value, but it maintains that a training of this kind only reaches a few, whereas a college training to the business man reaches a large number and does not prevent the college student from attending and obtaining his business training.

As stated before, the college and university managements are really at variance in their opinion on this subject, but they are nearly all willing

to concede the fact that they must give some instruction in commerce, accounts and finance. The committee, therefore, feels that the time has arrived for the American Association of Public Accountants to direct and guide the thoughts of the managements of the universities and colleges of this country, and that the first step in this direction is the dispensation of information in respect to what has already been done by the leading educational institutions in this country. It will, therefore, be the aim of this committee, if continued in its services (which it now respectfully asks), to send copies of this report to the universities with a letter setting out our willingness to aid them by further statistics and information.

Viewing the 18 replies from another angle, we might again divide them into four: First, those having distinct and separate schools, colleges or departments; second, those having distinct courses; third, those having distinct departments but which are not of the grade of a university, and fourth, those having some studies or some course in accounting in their departments of economics or sciences. Having these four divisions in mind, we find that only two have commercial colleges which we have already mentioned and which are not included in the 18 referred to. Thirteen (13) have specific departments, 3 have distinct courses, and two have accounting in their department of economics. Out of the 13 which have specific departments, we must again distinguish between those which have an undergraduate school and a graduate school,—11 are under-graduate and 2 are graduate.

The graduate Schools of Commerce are the Amos Tuck School of Administration and Finance of the Dartmouth College, and the Graduate School of Business Administration of Harvard University. To enter these two schools it is necessary to have a bachelor degree or some other evidence of a completed college course. The 11 institutions claiming to have specific departments of commerce, accounts and finance are

James Millikin University,  
New York University,  
Northwestern University,  
Oregon Agricultural College,  
St. Louis University,  
University of California,  
University of Denver,  
University of Illinois,  
University of Pennsylvania,  
University of Pittsburg,  
University of Wyoming.

The five institutions giving courses in accounting and commerce in their curriculum are

Cornell University,  
Radcliffe College,  
University of Minnesota,  
University of So. Dakota,  
University of Wisconsin.

Out of these, Cornell and Radcliffe give but very little, and the others have sufficient of a commercial curriculum almost to designate them separate departments.

From the list of inquiries hereinbefore given you will notice that a school of commerce, accounts and finance gives considerable of what may be called economic and law studies, and we must, of course, mention that these two subjects are included in practically all the curriculums of all the institutions of learning. Among these economic and law studies are some



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which touch on commerce, accounts and finance, but wherever the universities had them listed among their law courses or in their departments of economics, political science or political economy, we have not strictly considered them as subjects in which we are interested. Some of the institutions are enlarging the number of courses included in their studies of economics, political science and political economy, and special favorites in this line are transportation, banking, business management, public finance and trusts. Most of the institutions which have enlarged the scope of economic studies in the direction of commerce have invariably informed the committee that they are hoping and looking forward to the establishment of a permanent independent school of commerce, accounts and finance, showing again the trend of thought and the public demand for instruction in which your committee is interested.

As stated before, the committee has had no opportunity to send out follow-up letters, and the detailed information given by the institutions replying being somewhat vague, it is not in shape to be tabulated relative to hours of recitation and study required in each course, or as to elective and compulsory studies, the use of text books or synopsis of lectures, the problem or lecture method, and other interesting comparisons. A specific reason for this is that each university has practically its own method of calculating hours, which is the unit to which a comparison should be reduced, and it needs individual correspondence before this and other information can be put in such a shape that it can be tabulated for comparison.

However, an approximate summary may be given as to the number of students and instructors interested in this branch. We have, therefore, tabulated nine of the institutions out of the thirteen which give the information and have a specific separate department of commerce, accounts and finance, and of these we find 68 professors and 75 instructors engaged in this work, and these dispense their valuable services to 1930 students who take the full course and 1266 students who take the partial course. From this it will be clearly noticed that already a large number of young men are interested in this work at a time which we may really call the starting period for this new field of instruction,—New York and Pennsylvania universities being practically the only institutions having a branch of this kind older than three or four years. To show the recent growth of these nine institutions, we might state that out of a total of 3196 students in the schools at the end of the college year in June, 1911, there were 1686 who entered the school about a year ago.

In conclusion the committee desires to admonish the members of the American Association of Public Accountants and all public accountants that they should lend all possible aid to the subject of the education of the business man in schools such as we have had under observation in this report. While we find that almost every school of any consequence of this nature has originally been started or was caused to have started by some one individual accountant or by a small group of accountants, the relation between the total number of professors at the present time engaged in these schools and the number of practicing accountants engaged as professors therein is relatively small, showing that only a few of the accountants are really heart and soul in this work. They further should consider that there is no hope to elevate their profession nor to figure on a permanent continuation of the existence of their profession unless they teach the public through the young business man what their profession stands for and shoulder the responsibility and see to it that their assistants are properly trained, thus enabling them to render services commensurate with the high standard they are aiming at.

We therefore believe that the work of the Committee on Education

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in the future is just as important as that advocated for the permanent secretary of this association.

Respectfully submitted,

J. B. GEIJSBEEK,  
*Chairman.*

CARL F. NAU,  
WALDRON H. RAND.

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### **Report of Committee on Journal**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

The Committee on Journal beg to report that while the Journal of Accountancy has maintained its standard of efficiency in the articles and other matter published therein and its subscription list among the general public, it continues to lack the support of members of the Association.

The resolution of the Board of Trustees of April 10th last called upon the Committee on Journal "to extend their usefulness by supervising all the business methods of the Journal of Accountancy." Your Committee respectfully suggest that they have no power to exercise any such supervision, their duties being limited by the By-laws of the Association to directing the policy of the Journal. They have accordingly taken no steps to carry out this resolution.

A. LOWES DICKINSON,  
*Chairman.*

HERBERT G. STOCKWELL,  
F. F. WHITE.

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### **Report of Committee on Obtaining Charter**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

*Gentlemen:*

The Committee appointed to consider the matter of obtaining a Charter under the corporation laws of the District of Columbia for a corporation under the name of National Association of Certified Public Accountants, beg leave to report that at a meeting of said Committee held on June 28, 1911, the following Resolution was adopted by said Committee:

*Resolved*, That the Committee report to the Board of Trustees of the American Association that the matters appertaining to their appointment have not been fully covered, that it would report progress, and ask that the Committee be continued for another year.

Yours very truly,

CHAS. N. VOLLUM,  
*Chairman.*

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### **Report of Committee on Accounting Terminology**

MR. EDWARD L. SUFFERN, PRESIDENT, AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS, 165 Broadway, New York City.

DEAR SIR:

In February of this year you asked me to act as Chairman of a Special



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Committee on Accounting Terminology, leaving to me the privilege of selecting other members of that committee.

I was very reluctant to undertake the large task, and yet I felt that someone ought to help on with the important work performed by the prior committees. It was not until March that I finally decided to do the best I could in the small amount of time that I could spare from my other duties; and I have not yet been able to accomplish very much nor am I able to report much more than progress to you at this annual meeting.

The field for investigation loomed up to such a large extent that instead of working at random, I decided to limit the definitions to some of the terms found in an ordinary balance sheet, the definitions being given in the order in which the terms are usually found in the ordinary forms provided by many banks for use of their customers in submitting statements of their financial condition.

In order to follow the banks' forms, I have at the end included the usual grouping terms "Others Assets" and "Other Liabilities"; but I have not attempted to define the many items which might fall under the general terms. I have simply suggested the nature of the items which might properly be included there.

I have experienced great difficulty in framing concise, legal and, at the same time, full definitions. In fact, it has seemed to me well-nigh impossible to define some of the terms in such a way as to convey complete comprehension without the use of sub-definitions or explanations.

The definitions are designated (a), (b), etc., and the suggestions are numbered 1, 2, 3, etc.

In order that I might have the benefit of the experienced judgment of a number of our members I had a few copies printed and circulated among them, and have received some valuable suggestions from some of my brothers, to whom I extend my sincere thanks. To those who have not yet had time to consider these definitions, I wish to express the hope that they will give the Association the benefit of their criticism and suggestions.

In submitting this report, I do not expect or desire that these definitions will be adopted in their present shape by the Association. I shall be satisfied to have the report accepted as one of progress to be turned over to the committee appointed for the next year. I do not expect to be able to attend the annual meeting, but I do hope that interest in this important work will be made sufficiently manifest for the appointment of a strong committee. During the past few months in which I have worked on the matter I have not been fortunate enough to find any of my brothers who could devote time to the work as members of the committee.

### DEFINITIONS OF SOME ACCOUNTS

Used in Statements of Financial Condition of Merchants and Manufacturers, with Suggestions Regarding the Nature of Items to be Included.

#### CASH IN BANK.

(a) Undrawn deposits in solvent banks, trust companies, with bankers or in other depositories, payable by check upon demand.

(b) Deposits payable upon check or order only after prior notice of such intention, according to conditions under which the deposits were made, are also generally included in CASH IN BANK.

1. Frequently negotiable instruments payable at distant places, are received as deposits and credited at once to depositors if in good standing with the bank, it being understood that the depositors will not draw

against the uncollected credits. Strict banking practice calls for withholding of credits for such instruments until collection is effected. In a financial statement, if the amount of such uncollected instruments is large, it should not be included in CASH IN BANK, but should be described as "Checks, Drafts, etc., entered for collection."

2. The amount of all checks issued against deposits should be at once deducted from account showing CASH IN BANK, regardless of time when such checks or drafts may be presented to the bank for payment.

#### CASH ON HAND.

(a) Ready money in drawer or safe, in office or store, in branches or agencies; currency, coin, legal tender or bank notes; also checks cashable on demand, money orders or other instruments received as money, and which in the ordinary course of business will be received by the bank as a cash deposit.

1. It does not include promises to pay money in the future, due bills, past due notes or promissory notes, memoranda of money loaned or advanced for any purpose. Such items, if of value, should be stated under "Other Assets," listed separately, if important, but, if insignificant, included in a "Miscellaneous" amount.

2. Actual cash in the possession of branch offices or stores may be included, but unsettled accounts of cash in the hands of agents or representatives to be accounted for when expended, should not be included as CASH ON HAND.

#### NOTES RECEIVABLE.

(a) Negotiable promissory notes or accepted drafts received from customers in settlement for goods sold, not discounted, transferred or assigned.

1. Notes described as "good" should include only such negotiable instruments as the merchant or manufacturer actually believes, after diligent inquiry, will be paid by the maker at maturity.

2. Notes described or appraised as "good" should not include overdue notes or drafts, unless fully secured either by collateral or endorsement, or unless warranted by absolute knowledge of the financial responsibility of the makers or endorsers.

3. NOTES RECEIVABLE continuously renewed by the customers should not be stated at face value unless amply secured by collaterals or by endorsements.

4. Notes received and discounted should not be stated as an asset, but the amount of such remaining unpaid by the maker at the time the statement is prepared should be stated as a Contingent Liability.

5. Written contracts or engagements to pay money for services or property not negotiable should not be included in NOTES RECEIVABLE.

6. NOTES RECEIVABLE given to the merchant or manufacturer for his accommodation should be stated separately.

7. Any notes received in settlement or part settlement of previous charges on open account should be deducted from such accounts and stated as NOTES RECEIVABLE. The reason is that when a note is accepted, the legal form of the claim against the customer changes. Some bookkeepers charge back to the customer's account a note received from him which is not paid at maturity. For the same reason that a note should be deducted from the open account, it should not be charged back when not paid.

8. Notes received from officers, directors, partners, or clerks or stockholders should not be included in NOTES RECEIVABLE, but should be stated in a separate amount.



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9. NOTES RECEIVABLE given by subsidiary, controlled or allied interests for merchandise should be stated separately from those received from outside customers.

10. Any notes assigned or pledged as collateral for loans should be stated and the liability for the borrowed money shown as a liability.

### ACCOUNTS RECEIVABLE.

(a) The sum total of unsettled charges against debtors, usually for merchandise delivered.

(b) When used in the general sense, the term may include any legal demand or claim arising out of verbal or written contract not evidenced by draft, promissory note, judgment or mortgage of record.

(c) When used in a more restricted sense, the term ACCOUNTS RECEIVABLE is usually understood to include only unsettled charges to customers for merchandise or manufactured product, sold on ordinary trade terms, the right to collect which has not been transferred or assigned.

(d) As used in this restricted sense it should not include money loaned or advanced to any person for any purpose.

1. When described or appraised as "good" it is understood that the amounts included in the total so designated are (a) not yet due according to the terms of the sale and no information has been received creating doubt of the customers' responsibility and readiness to pay when due, or (b) are overdue, but experience with such customers in the past has been such as to warrant the reasonable belief that they will pay within a reasonable time.

2. The total of overdue accounts, especially after request or demand for payment, should not, as a rule, be considered worth face value in a carefully prepared statement of financial condition. A deduction should be made for possible losses on the collection of such accounts.

3. Accounts subject to discount, allowance, rebate, claims for damages, imperfect goods, or known to be doubtful for any reason, should be deducted to the extent of the known or estimated shrinkage in final settlement.

4. Accounts known to be worthless should be entirely eliminated from the total of the ACCOUNTS RECEIVABLE described as "good."

5. No unsettled charges against any individual connected with the business, either as proprietor, stockholder, officer or clerk, whether for overdrawn salary accounts, expense accounts, unpaid stock subscriptions, or for any other reason, should be included in ACCOUNTS RECEIVABLE, but should be stated separately.

6. ACCOUNTS RECEIVABLE representing unsettled charges against subsidiary, controlled or allied interests should be stated separately.

7. Where commission merchants, having merchandise in their possession owned by manufacturers, advance money to the owners the amount should not be included in ACCOUNTS RECEIVABLE. Such advances should be separately stated and described as "Advances of cash against merchandise in our possession for sale on commission."

### MERCHANDISE IN STOCK.

(a) Unsold marketable goods and wares owned by a merchant bought for sale, of any kind, falling within the general purpose of his business.

1. With certain exceptions the inventory value of merchandise should be based upon purchase price plus freight, and in some cases expenses incident to carrying the stock.

2. Some merchants calculate the inventory at full selling price, or selling price less certain discounts, but with few exceptions this method is not in accordance with the best business principles.

3. The reason why inventories should be taken at cost only lies in the principle that, until the goods or wares are actually sold, no profit should be calculated as earned. Any addition to the values on the merchandise over and above cost would be placed on the books in the ordinary manner of bookkeeping as an unearned profit.

4. When, however, the cost of the merchandise at inventory time, for any reason, exceeds the market value, the latter should form the basis of the value; the reason being that the inventory at cost compared with market value, would show a known loss, which should be deducted from the value of the merchandise at once.

5. The exceptional cases consist of those wherein the nature of the business is such that the market or selling price furnishes the most practical basis for the true ascertainment of the financial position of the merchant.

6. It should include all merchandise actually in his store or warehouse, or out on approval, and all merchandise purchased by him, not yet delivered, but which he must receive and pay for; but it should not include merchandise ordered, not received or accepted, which by the terms of the purchase he may cancel before delivery, or refuse to accept upon delivery.

7. Any merchandise pledged for loans should be stated separately and the liability for the borrowed money should be shown as a liability.

8. Any merchandise held for sale as consignee or in trust for any purpose, not absolutely owned by the merchant should not be included.

#### FINISHED PRODUCT.

(a) Unsold completely manufactured marketable articles made and owned by a manufacturer and in his possession at his factory or mill, or at warehouse or branches or agencies.

1. The valuation of finished product should be based upon cost, including a proper proportion of the expenses of conducting the business to the time the articles are finished, and in some cases, a proper proportion of expenses of carrying the stock to time of inventorying.

2. It should include all articles shipped on consignment for sale and accounting to him. Some manufacturers include the charges for such consigned goods in the Accounts Receivable, but these charges do not consist of actual sales, and the statement should show what in reality is a fact, that certain articles of product owned by the manufacturer have been shipped to consignees for future sale and accounting.

3. There are certain contracting enterprises which do not fall under the head of manufacturing, where deviations may or must be made from this general rule. A description of the special terms used by such concerns is not included in this list, which comprises those used by merchants and manufacturers in ordinary lines of business.

4. In some lines of business, goods are manufactured upon order considerably in advance of the time set for delivery. Many business men, considering that the goods have been sold, at inventory time, put the entire selling price on such of these goods as have not been delivered. Unless the buyer has actually inspected and accepted the goods, they have not actually been sold, until which time the cost only should be used as a basis for valuation.

#### PARTLY FINISHED PRODUCT.

(a) Articles in process of manufacture at time inventory is taken, to be completed and become finished and salable stock in the ordinary course of the business.

1. Such partly completed articles should be valued at cost of labor



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and material, plus a proper proportion of the expenses of the business to the time of inventorying.

2. Parts of articles made up in advance of actual assembling the finished product should be inventoried at cost, plus, in some cases a proper proportion of expenses of carrying to time of inventorying.

### RAW MATERIAL.

(a) Unconsumed materials purchased and owned, to be used in the manufacture of the finished product of the manufacturer.

1. The valuation should be based on the cost, plus freight, and in some cases a proper proportion of expense of carrying.

2. Materials not adapted to the present shapes, styles or quality of the product, should not be included at higher than scrap value.

### SUPPLIES.

(a) Unconsumed articles in stock, to be used in the operation of a factory or mill, not entering directly into or forming part of the finished product itself; fuel, oils, repair parts or materials, and packing are examples of supplies.

1. The valuation should be on the basis of cost price plus freight and in some cases a proper proportion of the expenses of handling and storing.

2. Any worn-out or obsolete article should be included in the inventory at no higher than scrap value.

### REAL ESTATE.

(a) In general it includes any interest in lands. A more restricted use excludes all other interest than actual ownership in fee of such land and buildings as are used in the operation of the business.

1. It should be valued at cost, less depreciation. If, however, the appreciation of the land and buildings more than offsets the depreciation, there are certain cases in which the merchant or manufacturer would be warranted in increasing the amount at which the real estate is carried on the books, but as a general rule such increase should not be placed on the books.

2. If the merchant or manufacturer occupies his premises as lessee, he should not include the lease in real estate, but should state the amount or value of the lease, if of a long term and valuable, separately.

3. If land and building can be stated separately, the amounts of the cost of each should be shown, together with the amount of depreciation to the date of making the statement. The assessed value of the Real Estate and the market value should also be stated in a side notation.

### MACHINERY.

(a) All plant equipment owned, other than buildings and land; engines, boilers, shafting, belting, dynamos, generators, machine tools, small tools, appliances and instruments; such machinery or mechanical devices as are used in the operation of the mill or factory.

1. The valuation should be based upon cost, with the proper deductions for depreciation, and if buildings are not owned, with due regard for the terms of a lease.

2. It should not include obsolete, dismantled or worn-out tools or appliances at higher than scrap value.

3. Sometimes machinery of special kinds is purchased to be paid in instalments. If the full value of the machine is stated, the liability for the unpaid instalments should appear in the liabilities.

4. Where buildings are not owned a careful inventory of machinery actually owned by the manufacturer should be made, and a definite understanding as to just what may be removed by him as his property at the expiration of the lease.

### FURNITURE AND FIXTURES

(a) Articles of ordinary or special use needed by a merchant or manufacturer to display his stock of goods or samples, afford conveniences to his customers and clerks and record his business transactions.

1. The furniture and fixtures should be valued at cost price, less proper deduction for depreciation, having regard to the reproduction value thereof at the time of inventorying.

2. If the buildings are owned by the merchant it may include all the various articles of furniture and fixtures whether separate from or attached to the floors, wall or ceiling; but if the building is not owned by the merchant, in inventorying and valuing the furniture and fixtures due regard should be given to the terms of the lease.

### OTHER ASSETS

The ordinary statement form provided by banks for use in preparation of statements by their customers are usually very much condensed and do not provide special spaces for assets other than those which we have described. Frequently the term OTHER ASSETS is used with a blank space or two for the separate listing of any important items.

1. In a business of ordinary character, the items which cannot be properly placed under any of the foregoing accounts will not be numerous or important, but there are exceptions to this general rule. In such cases all important assets should be listed and described separately.

2. Horses, wagons and harness may be of sufficient importance to list separately, in which case the amount should be shown at cost with proper deductions for depreciation, or at an appraised value.

3. Funds in the hands of foreign banks, investments of surplus capital in stocks and bonds may be shown under this general heading, as well as investments of sinking, insurance, or other special funds.

Investments in the stocks and bonds of subsidiary or affiliated enterprises, advances for cash to such enterprises, or charges for goods delivered to them should be listed here.

4. Corporations which, having issued their capital stock, acquire portions of it for re-sale, may have in hand what is known as Treasury Stock, the amount of which should be stated here.

5. Unissued capital stock should not be listed as an asset, but should be deducted from the authorized capital, to show the amount outstanding.

6. Merchants interested in producing companies frequently hold stock, or assets in some other form connected with the product for which they act as distributors. As an illustration, many wholesale lumber firms own lumber mills at points distant from their own yard or offices; also timber tracts for purpose of acquiring lumber for sale. Care should be taken to describe these holdings, so that it may be seen just what interest the firms have in the mills, and whether the tracts are actually owned or whether the ownership includes merely the stumpage rights. All such items should be so described that the exact nature of the right or title may be clearly seen.

7. Under this head also fall the items of patents, patterns, trademarks, good will, cost of secret processes, formulae, etc., the valuation of all of which requires special thought and skill.

8. Also prepaid items of expense, such as insurance, taxes, interest



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and sundry expenses, which in a finely-calculated system of accounting constitute items of expense actually paid in the period immediately prior to the inventorying, but part of which expense ascertained by calculation, justly belongs to the following period.

9. Other items included under this head would consist of such deferred charges to operating as are carried as an asset at the time of inventorying, to be later spread over the cost of operating.

### NOTES PAYABLE FOR MERCHANDISE PURCHASED.

(a) Unpaid promissory notes or drafts not due, given in the ordinary course of business for merchandise, materials, supplies or other articles used in the business. It should include all notes payable negotiated by branches, or agents acting for the merchant or manufacturer.

### NOTES PAYABLE FOR MONEY BORROWED.

(a) Unpaid promissory notes or drafts not due, given for money borrowed for use in the business.

1. Notes Payable to commercial note brokers, or to banks through them, should be stated separately. In some cases the relative proportion between the loans effected through brokers and those obtained directly from banks, indicates conditions which would not be clear if the two amounts were consolidated under the general head "Notes Payable for Money Borrowed."

### ACCOUNTS PAYABLE.

(a) In the general sense all unsettled credits to parties for goods purchased, received and accepted, unpaid salaries or wages, temporary loans and other unpaid obligations to creditors not evidenced by promissory notes, drafts, bonds, or judgment of mortgage.

(b) Merchandise purchases unpaid. In the restricted sense ACCOUNTS PAYABLE includes only the aggregate of unsettled credits for merchandise, materials, supplies, or other articles purchased for sale, either in present form or to be manufactured, or for use in the business.

1. In the ordinary course of bookkeeping, credits of invoices for goods received and accepted are entered at once in the account with the creditor, regardless of the date of payment called for by the terms of the purchase. Thus any general total of ACCOUNTS PAYABLE will not disclose whether the credits are under or overdue. In order that a more intelligent understanding of the business may be obtained it is desirable that the amounts of such credits be divided into "not due" and "overdue."

2. Care should be taken to ascertain that all invoices for purchases received are entered on the books and included in ACCOUNTS PAYABLE. If, according to the method of bookkeeping, any such invoices are omitted from the books, the amount thereof should be stated.

### REAL ESTATE MORTGAGES PAYABLE.

(a) Mortgages or other liens on real estate; liability for money borrowed, with the real estate of the business described in the mortgage pledged as security for payment.

1. It also includes the mortgage liability subject to which the property was acquired by the present owner. It should include the amount of all instruments recorded or unrecorded, which are or may become when entered, a lien on the real estate.

Where serial bonds are issued, secured by a mortgage on the plant, the total amount of the bonded indebtedness should be stated in short, with

a deduction of the amount not issued so that the amount extended will represent the net liability.

2. If real estate is owned by the merchant or manufacturer other than that used in the immediate operation of his business, the amount of such real estate should be stated as an asset separately from the amounts of real estate used in the business, and where mortgages or other liens against any other particular property exist, these mortgages or liens should be stated in the liabilities separately from the mortgages or liens on the real estate used in the business.

3. Ordinarily all bonded indebtedness includes the real estate used in the business; if more than one mortgage or lien exists on the whole or any part of the real estate used in the business, it would form a clearer statement of the actual condition of the merchant or manufacturer, if these mortgages or liens were separately listed and described and the property on which they form a lien described.

4. Bonded indebtedness of merchants or manufacturers is usually secured by liens on land, buildings and fixed equipment. Railway and public service corporations bonds of various kinds are not described in these suggestions intended for use in ordinary cases of merchants and manufacturers.

5. Where bonds are issued as collateral for loans obtained, a valuation of the amount thereof should be made under this heading.

#### DEPOSITS OF MONEY.

(a) Credits for money deposited for safe keeping or in trust for special purposes, such as deposits of employees, beneficial or savings fund.

1. It should not include any loans of a nature calling for entry in other loan liability account, nor should it include deferred dividends to stockholders or salaries allowed to remain in the business, or loans from officers, partners, special friends, or relatives, intended to be withdrawn on demand. In order to form a clear conception of the liabilities of the merchant or manufacturer, such loans as may be paid prior to the other creditors on open account should be listed separately and described.

#### CHATTEL MORTGAGES.

(a) A written instrument acknowledging a debt and conveying personal property as security.

1. This form of security is not frequently used in the ordinary business of a merchant or manufacturer, one of the reasons being that, as a rule, the mortgage is void as to creditors unless the actual property is delivered to the mortgagee. In such cases as it is used, of course the personal property covered by the mortgage would not ordinarily be found in the possession of the merchant or manufacturer, and should not be included in his merchandise in stock, but should be stated separately and distinctly described as pledged for the loan.

#### OTHER LIABILITIES.

In the ordinary statement form provided by banks for use of their customers in the preparation of statements, there rarely appear separately named liabilities other than those which I have now described. Frequently the term "Other Liabilities" is printed at the bottom of the statement with a blank space or two for separate listing of important items.

1. In ordinary cases, all liabilities of the merchant or manufacturer will be shown in the foregoing accounts, except such small incidentals as are common in any carefully calculated statement of condition at the



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end of any financial period. But when an analysis is made of lumped accounts described as "Other Liabilities" it sometimes occurs that such grouping or lumping includes items the description of which would materially alter the impression of the statement as a whole.

2. There are, however, sometimes shown in statements dividends declared but not yet paid, unpaid legal fees, insurance, rent, taxes, interest on ordinary loans and on bonded debt, which items may not, in the method of bookkeeping employed show under the heading of Accounts Payable.

3. In addition to the unpaid items due at the time of the preparation of the statement there may be other items for salaries and wages, insurance, rent, taxes or interest, where the time for actual payment falls somewhat later than the time of preparation of the statement, but where, in order that the full liability of the concern may be shown, a careful calculation should be made of the proportion or part of the liability accrued to the time of making the statement.

4. Where the assets are listed in the statement at the full cost value, reserve accounts should be shown under the head of liabilities. These reserve accounts consist of charges against the earnings of the business transferred to the credits of these reserve accounts for the purpose of offsetting shrinkage in asset values. Such reserve accounts are ordinarily designated as "Reserve for Bad and Doubtful Debts," and "Reserve for Depreciation of Plant."

5. Another important account appearing as a liability consists of the "Sinking Fund," which is kept in cases where, under the terms of a mortgage, certain definite amounts must be set aside periodically to provide a fund for the purpose of extinguishing the mortgage liability when it matures. If under the terms of the mortgage, the actual money must be set aside and invested, the asset side of the statement should show the account of the investment of such funds. If the mortgage contract does not provide for the actual investment of the fund it may be left in the business as part of the assets of the business, the account thereof being kept as a liability, or Sinking Fund Reserve, by periodical transfers from the Profit and Loss or Surplus Accounts.

### CONTINGENT LIABILITIES

(a) Amounts not directly owed by the merchant or manufacturer, but which may become a direct debt by him upon the happening of certain contingencies.

1. Such liability should not be included in the regular statement of financial condition, but should be stated as a foot note. Notes Receivable Discounted, having been received from customers, are expected, of course, to be paid at maturity by the maker. Should the maker fail to meet his obligations, the merchant or manufacturer receiving and discounting such notes may become primarily responsible. If he keeps a proper Notes Receivable record, he will at all times be able to ascertain the amount of such Notes Receivable not yet due on which he may be liable.

2. *Accommodation Endorsement:* Any accommodation paper made by the merchant or manufacturer or endorsed by him for the benefit of other parties, the proceeds of which are not received by him and entered on his books, should be stated as a Contingent Liability, the amount whereof can be ascertained at any time if a proper note book is kept.

3. Any liability for exchanged notes, drafts or checks, and any liability for guaranty or suretyship should be stated.

4. *Contracts or obligations not shown on the books:* Merchants or manufacturers may and frequently do enter into contracts for purchase

or sale of goods, or for subscription to syndicates or corporation securities, which by their nature, in accordance with ordinary bookkeeping, are not entered on the books, but which may have a material effect on their financial condition at the time the statement is made, resulting from a favorable or unfavorable condition at the time the statement is made, even before the time arrives for the performance of the contract or engagement on the part of the merchant.

### SURPLUS

(a) In the restricted sense it means accumulated undivided profits.

(b) When used in the ordinary sense in a financial statement, it means excess of assets over liabilities and capital. In this sense surplus may include gains arising from acquisition of assets not derived from the ordinary operation of the business. If the excess of assets equals the capital there is no surplus, the capital just balancing the excess or net worth of the business.

1. Surplus may be designated in the statement as Profit and Loss, Earnings, Undivided Profits; or a Surplus Account may be shown in addition to another Profit and Loss Account.

2. When any classification of the surplus is shown in the statement, the form conveying the most information is (a) Surplus—representing accumulated undivided profit to the beginning of the current fiscal year, (b) Profit and Loss—representing the net profits for the current fiscal year, and (c) Special Surplus—surplus created from other sources.

### CAPITAL

In an individual or firm's statement the capital will be shown in credits to the individuals or members of the firm's capital accounts. In a corporation the capital will be shown in Capital Stock in one or more kinds of issues. The capital stock should be shown in just the amount issued.

In conclusion, as I have said before, I have not attempted to name or define all of the terms that may be found in many Balance Sheets, nor have I attempted to define all of the terms used in the foregoing. Some of them have been inserted with mere suggestions as to their nature in order to round out an ordinary statement of financial condition. The result represents, I hope, if nothing else, a start in the right direction for a better understanding of a few accounting terms.

Respectfully submitted,  
HERBERT G. STOCKWELL,  
Chairman  
Special Committee on  
Accounting Terminology.

Philadelphia, August 18, 1911.

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### Report of Committee on Professional Ethics

TO THE BOARD OF DIRECTORS OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

Dear Sirs:

During the past year no cases of non-observance of professional ethics have been referred by the Executive Committee to this Committee for its attention. However, the question often discussed and dealt with at length in the Committee's report of last year—namely, To what extent may a professional accountant legitimately bring himself to the attention of the public?—is still before us.



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The desire of every ambitious practitioner is to enlarge the number of his clients. Every one would doubtless much prefer to sit in his office and have this increased business roll in on him without effort on his part to secure it. Unfortunately such a desirable position cannot usually be reached until after the hard work of building up a practice has been done. The strictly professional method of attracting clients, namely, by the excellence of the work done, seems old fashioned and slow to those who hear stories of rapid expansion accomplished by means of less conservative methods. After all, it is not the easiest thing in the world to say where the line shall be drawn. The insertion of a card in a financial or trade publication is probably generally considered to be not unprofessional. An announcement by mail or by advertisement of the opening of a new office, or of any change in firm relations is, of course, perfectly proper. The legitimate use of business or social connections cannot be condemned. Promiscuous solicitation of work, either by circularizing or by canvassers is the one form of publicity which seems most open to question. Perhaps the best way to stop it would be to show the futility of it in the long run, if accountants concede that such is the fact, as we believe they do. It certainly does not lead the public to esteem our calling more highly. It tends to encourage unprofessional competitive bidding, which is bad for the accountant and the client alike.

The practical question before us is: How can the real sentiment of the members of the profession with respect to these matters be ascertained, and what can be done to bring to their attention effectively any recommendations that might be made as a result of that enquiry?

This Committee has not been requested by the Board to take any action along this line. Whatever it might recommend or whatever expression of opinion it might offer would represent simply the convictions of the members of the Committee, and nothing more. Under the circumstances the Committee does not therefore attempt to define, other than as intimated above, what does and what does not offend professional ethics with respect to publicity in its various forms as a means of obtaining business. We do recommend, however, that the Board refer this whole subject to the next Committee on Professional Ethics, with the request that it be taken up seriously in its several aspects and reported on to the Association.

Respectfully submitted,  
WILLIAM M. LYBRAND,  
FREDERICK C. MANVEL,  
LOUIS G. PELOUBET.

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### **Report of the Committee on Standard Schedules for Uniform Reports on Municipal Industries and Public Service Corporations**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC  
ACCOUNTANTS.

Dear Sirs:—

Your committee submits herewith a bulletin of the Bureau of the Census entitled, "Uniform Accounts for Systems of Water Supply" with a sub-title, "Arranged by Representatives of the U. S. Bureau of the Census, American Water Works Association, New England Water Works Association, American Association of Public Accountants, Ohio Bureau of Uniform Public Accounting, and others interested."

Our committee's report of last year referred to the fact that the Bureau of the Census had in hand the preparation of a pamphlet concerning uniform accounts for water works and that two members of our committee, acting as a sub-committee, had co-operated with the census and

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water works associations in preparing the schedules and explanations now set forth in the present bulletin. The letter of transmittal from the Director of the Census to the Secretary of Commerce and Labor is dated August 5, 1911, but the printed pamphlet did not reach the Chairman of the committee until the present date. This pamphlet explains itself and your committee expects to have a considerable number of them for distribution at the San Francisco meeting. The Chairman of your committee and Mr. L. H. Conant attended the conference in Washington, which had been called by the Bureau of the Census and which has been reported upon at a previous meeting of the Association.

This bulletin of the census was published too late for your committee to get together as a whole and discuss it and possibly make recommendations in connection with it prior to the San Francisco meeting.

It is the intention of the Chairman, however, to call a meeting of the whole committee at an early date in the fall, for the purpose of thorough discussion of this bulletin and to take any needed action in connection therewith. At the same time, the Chairman will bring to the attention of the committee recent developments in accounting of telephone companies with special reference to uniformity and standardization of such accounts. Your committee regrets that the census bulletin was not completed in time for more definite action by the full committee. The subcommittee, however, is of the opinion that all the members of the American Association will find this bulletin of very great interest and value, and that its general scheme is applicable to other public services as well as to water works.

Respectfully submitted,  
HARVEY S. CHASE,  
Chairman.

### Committee: —

Harvey S. Chase, Chairman, 84 State St., Boston.  
L. H. Conant, 30 Broad St., New York.  
H. W. Wilmot, 52 William St., New York.  
Ferdinand L. Brauns, Baltimore, Md.  
J. H. Kauffman, Columbus, Ohio.  
J. Newton Gunn, 43 Exchange Place, New York.

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## Report of Special Committee on Appropriations — Budget

TO THE PRESIDENT AND MEMBERS OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

Gentlemen:

Your Special Committee begs to submit the following appropriations for the ensuing year 1911 and 1912:

Stationery & Printing.....	\$ 650.00
Postage, express, telegrams, etc. ....	350.00
Salary for Secretary Roberts for Sept./11 .....	200.00
Secretarial expenses .....	1800.00
Annual Meeting .....	400.00
Year Book .....	200.00

### Committees: —

By-Laws .....	\$150.00
Legislation .....	150.00
Arbitration .....	150.00
Press and Publicity .....	100.00
Executive .....	250.00



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Education .....	150.00	
Federal Legislation .....	300.00	1250.00
		<hr/>
		\$4850.00

Respectfully,

H. A. KELLER,  
JNO. A. COOPER,  
W. R. MACKENZIE.

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### **Report of Committee on Federal Legislation**

31st August, 1911.

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

At your April meeting the Committee on Federal Legislation reported that steps had been taken to commence a campaign for the purpose of inducing Congress to amend the Corporation Tax Law to enable corporations to report for their own fiscal years instead of as at 31st December as is now provided.

The Committee sent out a circular letter to the Members of the Association on 26th January, 1911, which was referred to in our April report. A copy of said letter is attached hereto for possible reference.

At the time the Committee took up this work, it was expected that the American Association would have an Executive Secretary giving his entire time to its affairs, who could be called upon to take care of the correspondence, &c., incident to the work of the Committee. As no such officer was elected at the April meeting, and by reason of the fact that the correspondence and inquiries became too voluminous to be handled by an active practitioner, this Committee secured the services of a competent man, who, for very reasonable compensation, has acted as Secretary to the Committee. He also spent two weeks in Washington interviewing Representatives, Senators and officials of the Treasury Department, and a large part of the success which we believe has been achieved is due to his untiring efforts.

Part of the work of the Committee is covered by circular letters and attached documents, sent to all of the members of the American Association. We submit copies thereof as part of this report.

Some of the members of the Association have shown a very keen interest in the movement, and have been of the greatest possible service to the Committee. A glance at the names of the organizations which have passed appropriate resolutions shows the wide extent of territory which has been covered. Since sending out the report of 24th August, we have been informed that the Memphis Merchants' Exchange (Memphis, Tennessee) has passed resolutions similar to those adopted by the Chamber of Commerce of the State of New York.

As stated in the letter of 24th August, there is every reason to believe that at the next Session of Congress the amendment referred to will be passed unanimously, as there is a very decided sentiment in favor of it and the Treasury Department has promised not to oppose the legislation. This change of heart was brought about very largely by the good offices of our representative at Washington, as the Treasury Department had gone on record as opposed to any change, although Commissioner Cabell stated to the Chairman of this Committee in December, 1910, that such an amendment was reasonable and should be taken care of. The reason

given by him for this change of attitude was that, after the law was declared constitutional, his office was organized with a view to all reports being made as of 31st December, and it would cause too much trouble to conform to the plan suggested by this Committee.

Your Committee would not have spent its own time and the funds of the Association in this work unless it believed that it would result in a practical benefit to every member of the Association.

As prophesied in our letter of 26th January, many corporations have changed their fiscal period to correspond with the calendar year in order to make it easier for them to comply with the Government's regulations. As they usually desire their audits to conform with their fiscal periods, many audit engagements heretofore made during various months of the year have been changed to January or February.

We believe that the time is now ripe for some sort of publicity campaign so that corporations may know that the present law will be amended. This will probably have the effect of inducing many of them to postpone any change in their fiscal period to await the action of Congress.

The annual report of the American Smelting and Refining Company (one of our largest corporations) has been issued recently. The following significant notice is embodied in the report:—

"In connection with the compiling of statistics for the Government and various scientific publications, but more particularly on account of the requirements of the National Excise Tax Law, the Directors have thought it wise that the fiscal year of the Company should conform to the calendar year."

This is but one instance of many which have been brought to the attention of this Committee; we therefore desire to emphasize the importance of hearty co-operation on the part of every member of the Association, so that there will be no possible question about the success of the proposed legislation. It will be necessary, however, for some one to give almost continuous attention to this matter, say, during the months of November and December. As out of the many thousands of bills introduced in Congress, very few are enacted into law, it will be necessary to secure the services of some one competent to look after this matter.

Your Committee would reiterate the recommendations passed on 17th March, 1911, by representatives of this Association, of the New York State Society of Certified Public Accountants, of the Pennsylvania Institute of Certified Public Accountants and the Society of Certified Public Accountants of the State of New Jersey, as follows:—

"By unanimous vote the Committees placed themselves on record, that in order to secure satisfactory results on any matter relative to Federal Legislation, there should be available a paid officer of the American Association fully competent to go to Washington and represent the profession, and that it would be inadvisable to secure the services of an Executive Secretary who, by training and personality, could not adequately fill the position."

For obvious reasons the Committee has not considered any other matters in connection with Federal Legislation.

Respectfully submitted,

ROBT. H. MONTGOMERY,  
*Chairman.*

PERLEY MORSE.  
J. PORTER JOPLIN.



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### **The California State Society of Certified Public Accountants, Incorporated**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

GENTLEMEN: The California State Society of Certified Public Accountants reports with great satisfaction the continuance of the spirit of enthusiasm and harmony which has prevailed since its admission to membership in the American Association of Public Accountants. During the year just passed three new members have been admitted, advancing its numbers to forty-six members at the present date. A continuance of overtures toward securing an affiliation with our Society of those Certified Public Accountants in Los Angeles who have not yet joined, has not been encouraging, but we are in hope that the next year will see all of the Certified Public Accountants in California included in our membership.

Our custom of having monthly meetings preceded by dinners has continued during the present year, but not so regularly as heretofore owing to the immense amount of committee work necessary to prepare for the Convention of the American Association of Public Accountants. During the year considerable progress has been made with reference to public recognition of Certified Public Accountants. At least two cities have included in their charters directions for the regular auditing of their accounts by Certified Public Accountants. The fee allowed experts by Grand Jurors has been doubled by legislative enactment and while still insufficient is an encouraging step in the right direction. A State Board of Control has been formed and one of our membership appointed Superintendent of Accounts.

Respectfully submitted,

JNO. F. FORBES,  
*Secretary-Treasurer.*  
September 1, 1911.

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### **Report of the Colorado Society of Certified Public Accountants, Incorporated**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

GENTLEMEN: The Colorado Society takes pleasure in tendering this report to you. The year just past has been a most active one and the interest demonstrated by our members has shown a marked increase.

In legislative matters the Society has been active and assisted in drafting a bill which made it necessary for the Public Examiner of the State of Colorado to be a certified public accountant. This bill was passed by both houses of our legislature, but, unfortunately, was vetoed by the governor of the state.

Monthly meetings and dinners have been held at which were combined business and pleasure, and educational subjects were not neglected. Our Society has also attempted to aid the federal legislative committee by interesting the various commercial bodies of this state in the "corporation tax law" and the proposed amendments to same.

The School of Accounts and Finance fostered by this Society graduated early in June eight students. This crowns with success the past three years' efforts of the Society to provide in the State of Colorado a school of high standing to promote education in accountancy.

Our membership has increased somewhat and now, counting our Associate Members, we have enrolled seventy-two.

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Our delegates to the Annual Meeting in San Francisco are Mr. Emil W. Pfeiffer and Mr. Frederick W. Deidesheimer.  
Colorado extends hearty greetings.

Fraternally yours,  
J. H. KINGWILL,  
President.

Attested:  
PAGE LAWRENCE,  
*Secretary.*

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### **Report of the Connecticut Society of Certified Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

GENTLEMEN: The membership of this society contains a number of non-residents and the Connecticut members are scattered, making it difficult to obtain a quorum. But notwithstanding this fact we have had some very interesting meetings, notably one at Bridgeport in December, on which occasion we were addressed by Mr. George E. Hill, the lawyer member of the State Board of Accountancy.

We are having frequent inquiries about the examinations and requirements and there is a growing interest in the matter, which will, in time, furnish candidates for examination and members for the society.

Respectfully submitted,  
FREDERICK W. CHILD.

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### **Report of the Georgia State Association of Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

GENTLEMEN: This Association has but little to report for the past year. We have lost one member since our last report, which brings the number of our active fellows down to eight.

Respectfully submitted,  
JOEL HUNTER,  
*Secretary-Treasurer.*

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### **Report of the Illinois Society of Certified Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

Marked progress in several directions has marked the activities of the Illinois Society of Certified Public Accountants during the past twelve months.

#### **SUBSCRIPTIONS INVESTIGATING COMMITTEE.**

The Chicago Association of Commerce appointed a little over one year ago, a Committee of ten of its members with Mr. Granger Farwell as its chairman, to devise and inaugurate a systematic method of securing all necessary information in relation to Charities which appeal to the public in any way for their support.

In the City of Chicago, as in all large cities, there are alleged Charitable Institutions which are absolutely unworthy of support, others again are conducted by well-meaning people with little or no business experience, and in many cases there is unnecessary duplication of work. The net result is that there exists an enormous waste of money and energy which if turned into proper channels would become effective toward much



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better results. It is the object of the Subscriptions Investigating Committee to give, when called upon by members of the Association, such information as will enable any member to form an intelligent opinion of the worthiness or otherwise of a charitable institution appealing for his support. In order to devise the best methods of procedure this Committee has created an Advisory Council of men and women who have made a life's study of the social problems of the day, and last winter the President of the Illinois Society of Certified Public Accountants was asked to become a member of this Advisory Council so as to give the Committee the benefit of his experience in all matters relating to the scrutiny of the financial and statistical reports of Charitable Organizations and for devising a method of securing regular audits of all Charities which desired to secure the endorsement of the Chicago Association of Commerce.

It is the intention of the Subscriptions Investigating Committee to lay especial emphasis in rendering its reports on Charitable Institutions, as to whether or not such institutions have their books audited by reputable public accountants, and also upon the publication of the Annual Report of Condition and Operation. The reports as certified to by public accountants will, no doubt, bring out clearly certain important factors of expense which heretofore were buried under the general caption of Miscellaneous Expenses. The effect of this publicity will inevitably lead to a discrimination on the part of the public in favor of institutions which have their affairs audited and reported upon as against those which do not.

The President of the Illinois Society realizing the responsibility involved and the importance of securing the co-operation of all of the reputable members in our profession called an informal meeting of the principals of the leading firms of public accountants practicing in Chicago for the purpose of interesting them in this work, with the result that a Committee of Five was appointed to meet with the Secretary and Members of the Subscriptions Investigating Committee and formulate a plan of operation: (I) by which the auditing of such Charitable Institutions as desire to take advantage of this service could secure same at the lowest reasonable cost, so that no institution could offer the excuse that the cost of an audit was more than it could afford; and (II) which would not be burdensome on the few, but rather that each firm would undertake its share of this class of audit. Several meetings were held with the result that the following plan was determined upon:

- (1) That those Institutions which already have audits made by any of the firms of Accountants who enter the proposed arrangement should retain their present Auditors, and that the proposals herein contained as to the selection of Auditors should relate only to those Institutions which are now complying with the recommendations of the Committee.
- (2). That from the standpoint of the practicing Accountants it is undesirable that the selection of Auditors should be left in the hands of the various Institutions which have signified their willingness to submit to an audit.
- (3). That it is equally undesirable that the selection of the Auditors should be left to the discretion of either the Chicago Association of Commerce, the Subscriptions Investigating Committee, or any nominee appointed to these bodies.
- (4). That, in view of the above, it is a natural corollary that the selection of Auditors for the various Institutions should be entirely indiscriminate and regardless of the standing or size of the accounting firms.
- (5). That the following method of selection would be agreeable to and acceptable by the Accountants, as being the most impartial mode of selection, and yet one which would cause the various Institu-

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tions and the Subscriptions Investigating Committee and its Secretary the least inconvenience, viz:

- (a). The various Institutions to be notified by the Subscriptions Investigating Committee that whenever they are ready to submit their accounts for audit they should apply to the Secretary of the Committee, who will take the necessary steps to have an Auditor assigned to the applicant.
- (b). Upon receipt of such request the Secretary of the Subscriptions Investigating Committee is to notify in writing the Secretary of the Illinois Society of Certified Public Accountants, to whom should be given the means, as outlined below, of immediately supplying an Auditor, and who, after the assignment has been made, would notify the Secretary of the Subscriptions Investigating Committee of the name of the Accountant assigned.
- (c). The selection of Auditors by the Secretary of the Illinois Society to be made from an official list of Accountants to be filed with him (copies of which will also be furnished to the Accountants), it being his duty to offer the assignment to the next Accountant in order of rotation on the list; and in the event the Accountant called upon cannot act, the next in order of rotation to be taken, and so on down the list until the assignment is effected.
- (d). The order in which the names of the Accountants shall appear on the list to be determined by lottery.
- (e). At the end of each year the Secretary of the Illinois Society be required to submit a brief report to the Accountants, setting forth the numbers and names of the Institutions audited by each firm of Accountants, with a memorandum of the occasions upon which Accountants declined to accept appointments assigned to them, with the names of the Accountants and the grounds upon which their non-acceptance was based.
- (f). The same mode of selection to be followed each year in order that the assignments may be varied; and by this course the demands upon the Accountants may be more or less evenly divided.
- (6). That the compensation to be received by the Accountants for the services rendered to be based upon a flat per diem charge of \$7.50, which is the approximate average cost of the services of an Assistant Accountant.
- (7). That with a view to avoiding any show of partiality to any particular firm of Accountants on the part of the Institutions to be audited, it is the duty of Accountants to refer to the Secretary of the Subscriptions Investigating Committee (Mr. Henry Stewart) all direct inquiries for audits by Institutions desirous of complying with the general recommendation of the said Committee. The acceptance by the Institutions of the general plan as outlined can be readily effected if it is explained to inquirers that the benefit of the \$7.50 rate can only be obtained by following the procedure laid down, it being the idea that should an Institution insist upon having any one particular firm of Accountants make its audit, the regular per diem rates should be charged.
- (8). That the announcement by the Subscriptions Investigating Committee to the various Institutions relative to the selection of the Auditors, and to the basis of compensation upon which they are



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prepared to undertake the work, should be submitted to the Committee of Accountants before it is issued.

- (9). That the question of the unification of the accounts of the various Institutions should be temporarily left over until a fairly representative selection of accounts of the various Institutions can be supplied to the Accountants.
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All practicing public accountants in Chicago of any standing have been invited to join in the above plan, and all except two or three have accepted, making about thirty firms which will co-operate in this work.

It is believed that, while the conduct of such audits cannot be remunerative from the standpoint of the Profit and Loss Account, it is realized that many firms at the present time are conducting some audits of Charitable Institutions on about the same terms or without any remuneration at all, and that the operation of this plan will result in a greater recognition of our profession.

### SCHOOL OF COMMERCE

The growth of the Northwestern University School of Commerce continues to be a source of great gratification on the part of the members of the Illinois Society who were so largely responsible for its creation. Below is submitted a statement showing the growth of this school since it was first started:

Year 1908-1909 235 registered students.

Year 1909-1910 362 registered students.

Year 1910-1911 539 registered students.

The Faculty of the School of Commerce includes the following members of the Illinois Society:

Seymour Walton, Professor of Theory and Practice of Accounting.

A. E. Andersen, Lecturer on Intermediate Accounting.

Charles H. Langer, Lecturer on First Principles of Accounting.

### AMENDMENT CORPORATION TAX LAW.

Through a Committee of five members appointed by the President of the Society, active efforts have been exerted towards assisting the Committee on Legislation of the American Association in securing an amendment of the Corporation Tax Law in respect to that part of the Law which directs all companies, associations, etc., to report to the government their profits or losses for the calendar year. A large number of public bodies have been approached on this subject and invariably they have responded by passing resolutions and urging their congressmen to vote in favor of such amendment.

### LEGISLATION

In January of this year a committee was appointed to take such steps as might be necessary so as to keep in touch with all legislation introduced at the recent Assembly of the Illinois Legislature which might affect in any way the interests of our profession. No legislation, however, of that character was introduced.

### PROFESSIONAL ETHICS.

The directors of the Illinois Society have, as far as they were legally able to do so, carefully guarded the rights of all Certified Public Accountants and have taken steps to enforce the provisions of the C. P. A. Law. In one case an Audit Company advertised itself on its letter heads

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and elsewhere as "Certified Public Accountants," and, while this in itself was illegal, the offence was aggravated in that not one of the officers or shareholders of the Audit Company was a Certified Public Accountant. The threat of legal proceedings, together with personal persuasion at several interviews, resulted in the Audit Company giving up this pernicious practice.

### MEETINGS.

During the past year there have been held seven meetings of members of somewhat varied character. Addresses on subjects relating to Accountancy were delivered at three meetings, a debate on Railroad Rates at another, a Smoking Concert and two business meetings making up the balance. On May 11th, 1911, the Meeting of the Society was honored by the presence of Mr. E. L. Suffern, President of the American Association, who addressed the meeting most interestingly on the subject of the "Ethics of the Profession."

### MEMBERSHIP.

The year just closing shows a very satisfactory growth in the Society's membership, eight new members having been elected, with no withdrawals or deaths to record; the membership now numbering seventy-three.

Respectfully submitted,

ERNEST RECKITT,  
*President.*

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### Report of the Kentucky Association of Public Accountants

T. CULLEN ROBERTS, ESQ., Sec'y., New York City.

DEAR SIR: Your favor of the 27th ult. to hand.

In reply would say that the Kentucky Association of Public Accountants has not had a meeting within the past year.

Several attempts to hold meetings have been made but as only five members answered to the call of the President, and they not constituting a quorum, no business was transacted.

I am very much in hopes that within the next few months we may be able to get together and transact some business.

Please note that our title is the Kentucky Association (not Society) of Public Accountants.

I am very sorry that none of our members is going to attend the annual meeting in San Francisco on the 19th prox.

Hoping that you may have a pleasant and successful meeting, I am

Yours very truly,  
W. S. PARKER, *President*,  
Ky. Assn. Public Accountants.

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### Report of the Society of Louisiana Certified Public Accountants

THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS,  
New York City, New York.

GENTLEMEN: The Society of Louisiana Certified Public Accountants, through its President, begs to report that it highly appreciates the recognition granted it by your association.

While its official report shows a small membership, I want to say that this has been due to the long illness of both its President and Secretary; but that a determined and systematic effort is being made to en-



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roll all certified public accountants in the State, who are eligible to membership, and it is our hope that at your next annual meeting if not at a much earlier date, we shall be able to report a very much increased membership.

We now have several applications for membership pending and as our efforts at conciliation have not been in vain we have every reason to expect the fullest realization of our hopes for a full membership.

Very respectfully,

H. DASPIT,

*President, Society of Louisiana Certified Public Accountants.*

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### **Report of the Incorporated Public Accountants of Massachusetts**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: On behalf of the Incorporated Public Accountants of Massachusetts I have the honor to submit the following report:

Our total membership is now 66: 61 fellows, 4 associates and one honorary member.

Early in the present year the Massachusetts Society of Certified Public Accountants was organized and a charter obtained from the Commonwealth. The membership of this Society at the present time consists only of the members of the Incorporated Public Accountants of Massachusetts, but a number of applications for membership have been received to be acted upon at subsequent meetings and an increased membership is anticipated. As soon as contemplated arrangements are perfected the Board of Trustees of the American Association will be asked, in proper form, to transfer the membership in the Association from the Incorporated Public Accountants to the Certified Public Accountants of Massachusetts.

According to a list published recently by the Bank Commissioner there are 106 certified public accountants registered under the State Registration Act, providing for the registration of public accountants.

Respectfully submitted,

CHARLES H. TUTTLE,

*President.*

BOSTON, MASS., September 12, 1911.

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### **Report of the Minnesota Society of Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS:

GENTLEMEN: The Minnesota Society of Public Accountants reports that it has had several meetings within the year, and has also had the pleasure of entertaining the President of the American Association in December, 1910.

The lectures referred to in the last annual report were delivered at the University by members of the Society and seemed productive of much interest.

The conditions in Minnesota as reflected by the report of the President, at the April meeting of the Board of Trustees, are believed to have been fairly and impartially stated, and it now remains for the annual meeting of the Board of Trustees to take prompt and definite action and render a decision upon the matters which have been fairly and impartially referred to it from time to time.

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The C. P. A. conditions in this State are still in a deplorable condition and it is understood that C. P. A. Certificates are being granted with a spirit of liberality that is discouraging to the local associates in practice.

Respectfully submitted,  
MINNESOTA SOCIETY OF PUBLIC ACCOUNTANTS,  
By HERBERT M. TEMPLE,  
President.

ST. PAUL, MINN., August 25, 1911.

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### **Report of the Ohio Society of Certified Public Accountants**

T. CULLEN ROBERTS, ESQ., Secretary.  
The American Association of Public Accountants,  
56 Pine Street, New York City.

DEAR SIR: Yours of the 27th ultimo duly received, and in reply thereto I have to say it has been the custom for the incoming President of our Society to make the report to your Association. But as our annual meeting does not take place until September 9th, it will be impossible for my successor to have his report ready at the time named by you — August 15. The report can be made, however, in time to be printed in your annual report.

I would say for your personal information that we have nothing of importance to report that is of interest to your Association. Our Secretary will, of course, report to you the changes in our membership, if any.

Very truly yours,  
E. S. THOMAS,  
President.

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### **Report of the Oregon State Society of Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

GENTLEMEN: On behalf of the Oregon State Society of Public Accountants, I regret to report that the society has not increased its membership during the past year; in fact, we have lost a fellow mainly by reason of his retirement from business.

The society prepared a C. P. A. bill along the line of those of other states and the individual members of the society spent time and money in their efforts to have this bill pass the legislature but it was killed in the committee room. The impression seemed to prevail among our legislators that we had too many state boards now and, as one member put it, that if we give the accountants a state board we will have to do the same to the bootblacks and others of their kind.

The Bill was fought by numerous accountants and bookkeepers in the state who are not members of the society and apparently do not want to be.

We will make strong efforts to increase the membership and progress in general during the coming year.

Respectfully submitted,  
JOHN Y. RICHARDSON,  
Secretary.



## *Annual Meeting of the American Association*

### **Report of the Tennessee Society of Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

GENTLEMEN: In submitting the report of the Tennessee Society of Public Accountants for the past year little change has been made in the conditions affecting the practice of Accountancy.

The Society, as a whole, has directed special attention in putting forth its best efforts to secure the passage of a C.P.A. Bill. At the present time a Bill is in the House of Representatives and we are expecting the Governor to call an Extra Session in the near future, and strenuous efforts are now being made to have this Bill included in the Governor's Call. In the present condition our Society is in we feel sure if we succeed in having this Bill brought up before the House at this Special Meeting we will secure the passage of same.

In addition to the interest taken in working for the C.P.A. Legislation, we have held but few meetings during the past year; however, with the large list of prospective members we have for our Society, we hope to double our strength during the next six months and will not stop working on the Legislators until our Bill is passed.

Hoping that our next report will include the announcement of the passage of a C. P. A. Bill, I remain,

Yours respectfully,  
HOMER K. JONES,  
*President.*

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### **Report of the Washington Society of Certified Public Accountants**

TO THE BOARD OF TRUSTEES OF THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS.

GENTLEMEN: The development of accountancy on the Pacific Coast is best attested by the fact that the annual convention of the American Association is to be held at San Francisco this year.

While our society did not feel strong enough to participate with the California Society in its invitation to the members of the American Association, we are heartily in accord with them, and have offered them every assistance in our power. We hope to have a good representation from our Society at the annual convention in San Francisco.

We have increased our numerical strength by the admission of three new members during the past year.

Respectfully submitted,  
A. J. QUIGLEY,  
*Vice-President.*





## APPENDIX





## Bonus—Profit-Sharing—Pensions

BY WALDRON H. RAND, C.P.A.

The Certified Public Accountant, in general practice, receives calls to service from all classes and conditions of business enterprise. He should be prepared to record the facts connected with any business so as to present them when wanted, and to present them in such a condition as to enable the management of the business readily to determine them as related to past and present accounts, and future needs; and they must be capable of verification.

Through practical experience the Public Accountant obtains intimate knowledge of systems and methods, of great variety, employed in manufacturing, trading and other enterprises; and his training enables his correlation of these facts and makes of him an advisor and counselor, as well as auditor. He is qualified to note the merits or defects in systems of cost records, and to formulate and introduce changes to enhance the one or correct the other.

Cost Records should embrace Bonus, Profit-Sharing and Pensions, where any plan including them is in use; for bonus is but an added expense for returns shown; profits shared but another way of doing the same thing; and pensions paid but little more than an annuity earned through long years of service.

Bonus, Profit-Sharing and Pensions are terms which have a representative value concerning the relations of Capital and Labor; Employer and Employee; Proprietor and Wage-Earner. They bring to mind such modern headings as Industrial Efficiency, Scientific Management, Efficiency Management; and, it may be (let us hope so) the golden rule of doing unto others as we would have that others should do unto us.

While such co-operation may, in some instances, be most due to a human desire to benefit the employee, yet we believe, if the added cost of either was not proven to be justified by an increased profit to the employer, the rapidity with which the plan would be changed would demonstrate the real object of the

business man. When we adopt a system of Bonus, Profit-Sharing or Pensions, we do so because we believe these methods will conduce to efficiency; we think of efficiency when we consider them. They are three basic elements in the analysis of a business the aim of which is prosperity for employer and employee.

The average public accountant is not qualified, perhaps, to enter seriously into a discussion of the economics of Scientific Management, so-called, but we have among the public accountants men whose wisdom and experience would doubtless furnish an excellent substitute for the talents of a Brandeis, Taylor, Gantt, Emerson and others among the Efficiency advocates.

Many volumes have been written and could readily be continued without exhausting our theme, and this paper will be much limited therefore, and will consist mainly of a description, in as condensed a form as possible, of various schemes under Profit-Sharing and Pensions, of business enterprises with which we have been in touch, and others about which the assistance of friends has enabled us to secure information.

BONUS is that extra wage paid for increased efficiency. It is an expense of the business which is paid at once, or at regularly stated periods, when earned.

As stated by Mr. Gantt, the problem in the application of the Scientific Method to remuneration of labor consists of three parts:—

First, to find out the proper day's task for a man suited to the work;

Second, to find out the compensation needed to induce such a man to do a full day's work;

Third, to plan so that the workman may work continuously and efficiently.

And the benefits which are claimed to be derived are:—

First, an increase of output;

Second, a decrease in cost of product;

Third, better workmen attracted by higher wages;

Fourth, improvement in quality of product, due to more careful supervision and better workmen.

It is urged in support of the Bonus method, that strikes are



## *Bonus—Profit-Sharing—Pensions*

avoided; that employees are made to be subject to the personal equation; that increase of earnings depends upon individual qualifications and individual work; and that the plan is based upon a mutuality of interest and benefits.

Cases are not wanting in which the results of the operation of the Bonus system are claimed by the employer to have been very satisfactory, both to employer and to employee.

It is evident that when work is classified and wages paid the workmen comprising each class of labor, there results a natural consolidation of the workmen of each class, making it convenient for them to combine to obtain increase of wages, and a strike is more readily induced because of the ability of each class to act as a unit. Also, that to force workmen to greater efficiency without corresponding benefit to the workmen, brings about opposition instead of co-operation. Co-operation without reciprocity cannot be lasting, but when based upon mutual benefits and performed rightly and honestly, should abide.

But there is quite an opposite view of the Bonus System as related to efficiency. Mr. Duncan, First Vice-President of the American Federation of Labor, objects to the new meaning given to the word Efficiency. He sees nothing in the speeding system but an effort to turn manual laborers into specialists, usually unfit for anything else than the work on which they become expert, and when anything happens to deprive them of employment, they invariably fall into and increase the ranks of the unemployed. He considers the whole scheme of Efficiency Management a beautiful theory, but wholly impracticable. He invites comparisons with the efforts at efficiency by Organized Labor which he explains as school room education as well as work shop education, high school preparation for men and women for industrial pursuits coequal with the high school education guaranteed at present to those who enter the professions. Also industrial night schools where workers can receive education that will develop their minds while their hands are being trained in the workshop.

It is true that specializing may be carried to excess: "A" explains he is a "doer" in a down town office. "A doer" asks "B," "What's that?" "Well, you see," replies "A," "they have three tellers and a doer. The Treasurer tells the Cashier,

the Cashier tells the Bookkeeper, and the Bookkeeper tells me what's to be done, and I'm the doer; I do it."

It is said also that man exaggerates his specialty. The leather-faced foreman of a railroad section called to a man saying, "Here, drop that wheelbarrow and take a shovel. What do you know about machinery?"

There are not wanting those who preach against the danger of over-specialization which hands the task along to the other fellow. As one man said:—"In this hotel I cannot have a bellboy carry my traveling bag to the office. I telephone the clerk and he tells the boy. The bellboy tells the head porter and the head porter sends me one of his assistants."

The *Literary Digest* of last December, in discussing the topics of the day, referred to President Taft as our "Presidential Efficiency Engineer." Amazing economies are reported. Four hundred places abolished in the Treasury Department, one hundred "unnecessary" employees dropped from the Philadelphia Mint, the method of collecting duties at the port of New York has been reformed so as to save ten or eleven million dollars. The Post Master General actually expects at last to make his department self-supporting; and finally, the estimates for next year's ordinary expenses of Government amount to \$53,000,000 less than the appropriations for this year. And these are but preliminary to more comprehensive reforms which are promised after a new body of experts, already at work, and including our well-known and highly esteemed neighbor, Harvey S. Chase, of Massachusetts, shall have simplified the machinery of Government by standardizing the methods of the various governmental departments.

President Lowell of Harvard University, in his Baccalaureate Sermon last June said:—"The Keynote of the present day is efficiency and more tangible results as a measure of all achievement. We ask a man what he has done, and require of him definite tasks performed."

Doubtless, it will be unwise and unprofitable to specialize "Efficiency" in the details of a business to the exclusion or interference of efficiency in the management of the larger affairs. The management may be mistaken in preferring to save a dollar in operating expenses rather than to secure a dollar of new busi-



ness. General efficiency should be the aim, of course, and the application of accepted principles should be made to the purchase department, the sales department, the accountancy department, as well as to labor.

PROFIT SHARING is based upon methods which are expected to reduce the cost of product or cost of sales.

There are other very good reasons, doubtless, which may be given for the introduction of such a system, but the cold fact which largely operates to influence the merchants' or manufacturers' mind is the one mentioned.

A representative of one of the most prominent houses in its line of manufacture in the United States, says:—"Unless the employer increases the efficiency of his labor under the profit-sharing plan to at least the extent of the profits so paid his labor, he should not, as a business proposition, adopt it. If, however, the reverse is true and he increases the efficiency of his labor to an extent greater than the amount so paid for it, it is as incumbent upon him to adopt the profit sharing plan as it is to put in an improved piece of machinery."

It is claimed that Profit-Sharing can show:—

First, the abolishment of strikes;

Second, the reduction of waste of material;

Third, less change among employees;

Fourth, the lowering of actual labor cost of manufacture, including the profits shared.

Interesting are the methods employed in Profit-Sharing schemes. A large house in its line of business, with offices in Cincinnati and factories in Ohio, Kansas, and New York, has the following plan:—

Any employee who is earning not exceeding \$1,500 per year may receive a dividend equal in amount to a percentage of the employee's wages, which shall be the same as that paid annually upon the common stock of the company. The plan requires that an employee to be eligible to participate in the profit sharing plan must own common stock of the company at its market value to the amount of a year's salary; if the employee does not hold this amount of stock the company will buy it for him, requiring a small payment in cash when the purchase is made, and a mod-

erate annual payment until the stock is paid for in full, interest in the meantime being charged at the rate of three per cent. per annum.

The employee is guaranteed by the company against loss through decline in the market value of the stock, and receives as a credit his profit sharing dividend, the same being applied towards the payment of his stock until the same is paid for in full, after which the dividend is paid in cash.

The majority of the employees of the company have taken advantage of this opportunity and are receiving profit sharing dividends, as well as the regular dividends which are paid to the holders of the common stock; dividends (to both the holders of common stock and to profit sharing employees) of late years have been 12% per annum, and the employees are now the actual owners of approximately 1900 shares of stock, upon which the market value is about \$405 per share.

This scheme has been in force with certain modifications since 1887.

A textile mill has had an apparently successful system of profit-sharing with employees for some years.

The plan provides, after making provision for depreciation of plant and paying 5% cash dividend on the capital, for the apportionment of the balance between capital and the total wages paid during the year, according to their respective amounts. Every worker who has been employed during the entire year receives a bonus on the year's wages. This bonus is not paid in cash, but in fully paid shares in the company. These shares then participate in the cash dividend on capital for the succeeding year, but give no vote in the management. Any employee over 21 years of age who has been in the constant employ of the company for at least five years and owns shares equal in value to half a year's earnings is given a double bonus of shares. Workers who have not been employed a full year do not receive a bonus; the amount which would otherwise go to them being carried to a special workers' fund.

During the fifteen years the above plan has been in force, the company has apportioned to its workers as their share of the profits about \$250,000 in shares and paid cash dividends of about \$100,000.



## *Bonus—Profit-Sharing—Pensions*

A profit-sharing flour mill with a daily output of three thousand barrels, pays its labor \$1.25 per day for the first six months; \$1.50 per day for the second six months; \$1.75 per day for the third six months, and \$2.00 per day for the fourth six months. After the expiration of the two years the workman participates in the profits as follows:—

Capital is first credited with interest at the rate of eight per cent. per annum; then seven of the principal millers receive five per cent. each, and ten per cent. is divided among the balance of the employees, making forty-five per cent. of the total net earnings for distribution among the employees.

The method adopted by this mill to arrive at the amount to be distributed is to divide the total net earnings by 145 and call the quotient one per cent.

After twenty years' experience the conclusion of this house is that the heads of departments and many employees exhibit an appreciation of the plan, but they are not so sure of this in the departments requiring unskilled labor. The tendency is rather to keep the employees together, and make them less inclined to leave on short notice.

A corporation of manufacturing chemists has had in vogue for many years a profit-sharing system described as follows:—

A certain amount of the net profits of the business, unknown to the men, but always the same, is set aside after six months' inventory, and this is divided among the profit-sharers in proportion to the amount of wages they have earned during that six months. One-half of the amount is paid to them in cash and one-half is put into an insurance fund in the hands of the trustee. The insurance fund is handled as follows:—

Whenever a profit sharer leaves employ in good standing, after notice, he is paid the amount that stands to his credit in the insurance fund in three annual installments, one year, two years, and three years after the date of leaving the employ, or in case of the death of a profit sharer, the insurance fund is paid to his heirs in the same way. If, however, the sum to his credit is less than \$100 it is paid at the end of the year. If the man leaves in bad standing, or is discharged, his share in the insurance fund is divided up amongst the others in proportion to the amount to which they would have been entitled had he not

been a participant of the fund. It never comes back to the firm.

Only those men become profit sharers who sign the profit-sharing agreement, and no one is obliged to sign it. It is purely a voluntary matter. By the agreement they agree to do their best to turn out the goods in the best and most economical manner, and to give sixty days' notice of leaving. Nothing else is required.

The system has been found to work very well indeed, and a very small percentage of the men are outside the profit-sharing agreement. A number of the men have accumulated quite considerable sums of money in the trustee fund, which serves as an insurance to a much larger amount than the ordinary industrial insurance.

The plan just described, it will be noticed, is a combination of profit-sharing and pension.

Another corporation whose sales for the past year have exceeded \$45,000,000, announces to its employees that any employee who wishes to buy one share of its preferred stock, to be paid for in installments at a price which will be quoted about twice each month, may do so. Payments must be made in amounts of \$5.00 or multiples thereof. Interest is allowed at the rate of 4% per annum, dating from the first of the month after partial payment is made. As soon as the employee shall make full payment for the share of stock, it will be transferred to the name of the employee on the books of the company and the stock certificate delivered to him or her, without any additional expense, after which any dividends declared on such stock will be paid to the employee, who then has a vote at the meetings of the stockholders of the company. Any dividends which shall have accrued on the share of stock between the time it has been bought by the company and the date on which it is transferred to the employee, will be given to the employee when he or she makes full payment for it, less interest at the rate of four per cent. per annum on the amount the company has paid for the stock; this interest to be computed from the date of application from the employee for the acquirement of the share to the time when it has been transferred to him or her. It is understood the employee does not become the owner of the share of stock purchased until it is paid for in full.

### *Bonus—Profit-Sharing—Pensions*

In this company the total number of stockholders was seventy-seven hundred and sixty-nine. Of this number twenty-five hundred and eighty-six are employees of the company, representing an ownership of eighty-four hundred and sixty-four shares of the company stock.

The last cited case is one of but a few, to my knowledge, where restrictions are not placed upon the sale of the stock by employees who otherwise might be induced to quit for the purpose of realizing the amount of their savings. The profit-sharing feature seems very small, while the effect of such stock holding among the employees should be beneficial in many ways.

Geo. W. Perkins, of New York, testified recently that 12,000 employees of the United States Steel Corporation were stockholders therein.

A curious complication has been observed in a fire insurance company which paid certain agents a salary, and in order to secure greater efficiency allowed an additional small commission on insurance written. Some of these agents would divide their commissions with outside brokers to secure business which would have come to the company anyway, and thus increased the cost to the company by precisely the amount of the agent's commission.

Much depends upon the point of view. It is published in a number of the *Literary Digest* that a New England mother had come upon her eight-year-old son enjoying a feast whereof the components were jam, butter, and bread. "Son," said the mother, "don't you think it a bit extravagant to eat butter with that fine jam?" "No, ma'am," was the response, "it's economical; the same piece of bread does for both."

The proprietor of a large department store, which he calls the "largest store of its kind in the world," and says he "hopes it will be the best," explains that by "best" he means "of the greatest service to the community," and continues to say furthermore, that he thinks one of our biggest opportunities for service to our community in this business lies in working out better and more just relations between employer and employee.

PENSION, literally, means a payment made, rent, interest paid. A pensioner, in Cambridge University in England, and in that of Dublin University, like a Commoner in Oxford Univer-



sity, is one who pays for his board and is not dependent upon the foundation for support.

This meaning is foreign to our consideration, however, for our pensioner is one who receives, and the pension is what is paid only after the work has been completed and the ability to labor has ceased; the mercantile pensioner is a dependent.

Pensions, therefore, commercially considered, should be provided for in a reserve, during the period of activity of the employee, and, like Bonus and Profit-Sharing, be treated as a regular expense of the business.

In the Commonwealth of Massachusetts there was introduced in 1907 a bill to provide for an investigation and report relative to the adoption of a system of Old Age Insurance and Pensions, and twenty-five hundred dollars appropriated for expenses.

In 1908 there was appropriated for the expenses of the Commission on Old Age Insurance and Pensions, fifteen thousand dollars; and in 1910 the Commission transmitted its report.

We are indebted to Professor F. Spencer Baldwin, Executive Secretary of this Commission, for much of our pension statistics. In the report descriptive accounts are given of existing systems of old age pensions, insurance and annuities in Germany, England, Denmark, Belgium, France, Italy, New Zealand, New South Wales, Victoria, Australia, Canada, Austria; the pension legislation in the United States, National, relating chiefly to military pensions, and Pension legislation in the various states. Also the Pension system of the Friedrich Krupp Company which is quite complex and difficult of precise explanation. The Pension funds in this latter company amount to nearly 20,000,000 marks, or about \$5,000,000. The system is compulsory, is limited to wage earners whose earnings do not exceed 6.75 marks a day; there is an initiation fee of one and a half times the daily pay, and after that 2.5 per cent. of the earnings which is deducted and accounted for in the pay envelope. The firm pays annually an amount equivalent to the full sum paid by the workmen. A description of the system for the payment of pensions would occupy too much space for the present paper.

The management of a life insurance company has for some fifteen years taken and carried a twenty-year endowment life in-

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surance policy upon each employee of two years' standing. The policy is assigned to the manager with written instructions as to whom payable in case of death. This is done too as security, in addition to the fidelity bond, in case of defalcation or improper conduct. The criticism made to this plan is that it is crude in that it treats every employee alike, regardless of age at entrance and regardless of compensation. They are now working out a plan under which the pension shall be based upon the average compensation for the past ten years and shall become effective for male employees at sixty-five and female at fifty-five years.

In a large manufacturing company in Massachusetts there is a plan in operation of giving the privilege to those who have worked continuously for fifty years of retiring on half pay, or working or resting intermittently, receiving half-pay when resting and full pay when working. The concern has pensioned three persons by this arrangement.

In another mill, provision is made for pensions for employees who have been in the service of the company for fifteen years, under the following conditions:—

Any such person incapacitated for labor through old age or through other causes for which he is not responsible, may be retired on pension; or, if having reached seventy years of age, may retire on pension at his pleasure. The amount of the annual pension is 1% per year for every year of service of fifteen to thirty-five years of service; and for periods longer than thirty-five years, the pension is 5% of the average wages. No pension shall exceed \$500. No pension is given where incapacity is the result of intemperance.

Another company plans for the retirement of employees between the ages of sixty-five and seventy, who have become unable through disability or other causes, to perform the active duties of their positions. The retirement is optional, not compulsory, and the allowance amounts to  $1\frac{1}{2}\%$  of the average pay for the preceding five years, multiplied by the number of years of the employee's service.

A prominent life insurance company has established what is called a "Staff Savings Fund," which consists of subscriptions of the Company, deposits of the employees and accretions of interest.

The deposits consists of about 5% of the employees' savings for a year, and the company's subscriptions equal 5% of each deposit. Any employee after one year's continuous service and whose earnings for his contract year preceding application for membership were not in excess of \$3,000, may become a depositor.

An analysis, briefly stated, of the pension schemes in use by twenty-two industrial, commercial, or banking establishments, makes the age of retirement to be from no age specified, each case being dealt with itself, to 70 years. The usual age of compulsory retirement is 70 years; of voluntary retirement, 60 years.

The period of service required varies from ten to thirty years. The term twenty is taken in most cases. Thirty is required in only one.

The amount of pension is usually arranged by an allowance of 1% of the average wages during the last ten years for each year of service. In one case the period is five years instead of ten.

The expenses of the pension system are in a great majority of cases borne entirely by the employer, no contributions by the employees being required. This is provided by a fund or an annual appropriation, or both. Some companies, however, require contributory payment by the employees, say, three per cent. of wages, or two per cent., and in each case the payment of an equal amount by the Company.

The pension system is administered by Boards composed of employers and employees, appointed usually by the directors.

The pension system of the Baltimore and Ohio is the oldest in existence, dating from October 1, 1884, a comparatively recent date.

In closing we may state that it is common to the practice of accountancy, wherever the organization of office methods is undertaken, the systematizing of a business entered upon, or the charting of a cost plan laid down, for the accountant to consider what will best induce efficiency; and the scope of his investigation may be as extensive as he feels qualified to make it. He should keep well posted in up-to-date methods and be able intelligently to explain their application.



# Accounting in Antiquity

BY JOHN P. YOUNG.

*Editor, San Francisco Chronicle*

A high stage of commercial development could not be attained by any community unless it were accompanied by a more or less elaborate system of accurate accounting, and that presupposes the use of some convenient means of recording transactions in a permanent form.

This assumption will scarcely be questioned by anyone familiar with the requirements of trustworthy bookkeeping. But it appears that there are many scholarly persons who assume that ancient peoples managed to evade this necessity and were able to carry on great and varied operations with a system, or rather lack of system, as crude as that of the barkeeper who chalked up the drinks obtained by his customers on trust on a board kept back of the bar.

About ten years ago the editor of *The Outlook* in an article on abbreviations, in which considerable learning was displayed, endeavored to demonstrate that the Roman propensity to avoid spelling out long words and sentences was induced by the fact that their principal medium for writing was the tablet covered with wax on which the writer scratched what he had to say with a stylus.

This suggested to your lecturer the desirability of demonstrating that the use of paper was general in antiquity, and that the tablet, despite the fact that it is frequently alluded to in the classics in a manner calculated to confuse, was never employed in the time of Cicero except for temporary purposes, just as we now sometimes employ a slate or something else from which an erasure may easily be made.

The investigation proved very interesting and disclosed the fact that from the very earliest period of which we have knowledge, that can be considered historical, there must have been sys-

tems of accurate accounting, and that the ordinary medium for recording transactions was paper, and not, as is sometimes carelessly assumed, such durable materials as clay tablets or, as suggested by *The Outlook*, the tablet covered with destructible wax.

It is hardly necessary to describe to an assemblage of the sort I am addressing the limitations upon accuracy which adherence to the use of clay or wax would entail, and I feel assured that all my hearers will agree with me that no perfect system of accounting could be attained unless a medium as flexible and handy in every particular as paper existed.

It therefore seemed to me that if the evidence pointed to extended commercial intercourse in antiquity that fact in itself furnished conclusive evidence that paper was used thousands of years before our time in all ordinary transactions, and that the tablets with the wedge-shaped inscriptions, discovered in recent times in that region which was once ancient Babylon, were intended to serve as permanent records.

Among these tablets is found a large proportion of contracts and accounts. Some of the latter are what might be termed primary entries, and this fact has led to the assumption that the bookkeeping of the Sumerians was done on soft clay which was afterwards baked. It is perhaps presumptuous to place against the opinion of an archæologist that of a practical man, but it is only by viewing the subject from every standpoint that the truth can be ascertained.

The learned in such matters assert that the Babylonians, or the people who spoke the Sumerian language, and inhabited the plains of Mesopotamia, named the twelve signs of the zodiac and divided the equatorial into 360 degrees at least 2200 years before our era, and that they also determined the length of the sidereal year and were accustomed to reckon the latitude of the stars from the zenith of Elam just as we reckon longitude from the meridian of Greenwich.

Being deficient in astronomical knowledge, and weak in mathematics, I made inquiry concerning the nature of the calculations necessary to arrive at the above results and learned that the necessary calculations would fill many sheets of paper. The conclusion drawn was that on the assumption that the Sumerian

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astronomers employed clay they would have had to start a brick-yard every time they wished to work out a result; and that book-keepers, on occasion, might find it necessary to run several of them in order to prepare a satisfactory balance sheet.

Among the restored knowledge concerning this ancient people we have a codification of laws attributed to Khammurabi. A German Assyriologist ventures the opinion that the culture of the people for whom this code was made had attained its completed form some five or six thousand years before our era. It would be rash to challenge his assumption for from this code we are enabled to extract that the cities of that period maintained an octroi; that there were customs and ferry dues collected and highway tolls and water rates imposed, all of which implies the existence of a complexity which is the product of a slow and laborious evolution.

From the code we also learn that trade was practiced on an extended scale and that agents were far afield. The law strictly defined the relation of principal and agent and that of creditor and debtor. Claims could not be enforced unless they were properly entered, and a false entry on the part of an agent was penalized threefold, and if the principal was found guilty of a similar offense he paid a sixfold penalty. There were banks and the use of drafts or checks was common, and the discovered tablets show that there were innumerable legal decisions concerning contracts, deeds of conveyances, bonds, receipts, inventories and accounts of all kinds.

Although much is left to conjecture, and we have yet to learn of the methods of these ancient accountants, we may reasonably be sure that they were methodical for when courts of law are invoked to settle disputes between debtor and creditor care is taken to secure accuracy. And indeed that is indispensable to the conduct of affairs on a large scale. It is unthinkable that there should be a great commercial development without the accompanying feature of systematic accounting, and it is equally certain that the operations of a nation high in the scale of civilization, with revenues to collect and receipt for or disbursements to make, could be carried on without public accountants.

Coming down a little nearer to our time we find descriptions of the activities of a people whose name is almost a synonym for



commercialism, and whose trading proclivities are frequently referred to in the Bible. The Phoenicians, whose bold navigators circumnavigated the continent of Africa, and whose merchants had dealings with all the peoples of antiquity, must have developed some of the highest forms of accounting. They planted factories wherever the opportunity for trading offered, and these, being in the nature of permanent agencies, and operating on an extended scale, were necessarily required to make showings that would prove satisfactory to the parent establishment which was often a joint stock concern.

Of Sidon and Tyre we are told that they traded in fine linens from Egypt; blue and purple dyes from the isles of Elisha; silver, iron, tin and lead from Tarshish, which they obtained from the Carthaginians; slaves and brazen vessels from Greece, Tubal and Mesech; emeralds, purple embroidery, fine linen, coral and agates from Syria; corn, balsam, honey and gums from the Israelites; fine wools from Damascus; polished ironware, precious oils and cinnamon from Dan, Javan (Greece) and Mezi; magnificent carpets from Dedan; sheep and goats for slaughter from the pastoral tribes of Arabia; costly spices from Arabia and India; precious stones and gold from Sheba and countries in the south of Arabia.

The operations of these great manufacturing cities of antiquity were by no means simple exchanges. They represented all the complicated forms peculiar to modern commerce and involved the use of the same machinery we now employ in the transaction of business. There is even ground for the assumption that they had brought their methods of accounting nearer to perfection than we have, and that they were enabled by a device resembling that of the clearing house to settle balances of all kinds with a minimum of metallic money.

The Greeks who borrowed much of their civilization from Asia, greatly improving upon it in many particulars, undoubtedly followed the business methods of the East. They admit their obligations in some particulars with a freedom which might impel the hasty reader of Grecian history to imagine that they were anxious to repudiate all claims to originality.

This is especially noticeable in the Economics of Aristotle, who seems to find it necessary to furnish precedents for many

## *Accounting in Antiquity*

of the practices of his countrymen in the customs of other nations. It is through this propensity we have learned of many things happening to peoples other than the Greeks of which we should have remained wholly ignorant had his works not survived.

It is to Aristotle that we are indebted for knowledge of the fact that most of the varied forms of credit we are now familiar with were well known to the ancients, and that in some respects their practices indicated a far better insight into the basic principles governing commercial intercourse than modern business communities possess.

Aristotle's definition of the functions of money is unassailable, and his descriptions of the various devices resorted to by active trading peoples to dispense with its direct use give us an insight into the business methods of numerous peoples. He tells us that notes as evidence of debt were in common use and he makes it clear by inference that the practice of discounting was prevalent. He speaks of loans made on the security of coming crops in order to provide the money for the payment of troops, and he lets us know that the funding plan was frequently resorted to in his time, all of which points to a mistake in the assumption that "a national debt is a national blessing" is a modern discovery.

We also learn from Aristotle and other Greek writers that the democracy of Athens was rather insistent that a full accounting of all transactions should be made by those who served them. It is evident from this that the system of public accounting was pretty well developed. That there were experts who made it their business to overhaul these accounts is abundantly testified to by the frequent accusations of "graft" brought against officials, some of whom appear to have been as vulnerable to improper influences in Greece a couple of thousand years ago as they are to-day in American cities.

The Greeks did not content themselves with well-ordered public affairs; those of the private citizen were evidently also looked after carefully. Xenophon in his book on economics gives a picture of the management of a household which indicates that the wife had responsibilities imposed upon her far greater than is commonly inferred from those fugitive allusions to the part

she played among her women. He says: "Resources come into the house for the most part by the exertions of the husband, but the larger portion of them is expended under the management of the wife, and, if affairs be well-ordered, the estate is improved; but if they are conducted badly they are diminished." In another place he describes duties imposed upon the lady of the house, the performance of which must have required exact accounting as they involve the necessity of stock-taking with the view to the determination of whether the estate has been illy or profitably administered.

Transferring our attention from Greece to Rome we are not surprised to find that its citizens were appreciative of the value of exactitude which finds its expression in accounting, for has not Pliny the Elder told us that it was the custom of the Romans to imitate and make use of all the good things practiced by their neighbors or the peoples they conquered and assimilated?

If I had the same opinion of the Romans as that commonly entertained I should not quote them as an illustrious example; but I take the liberty of disagreeing with all those historians who have assumed that Rome was merely a conquering nation whose people were deficient in the manufacturing and commercial instinct, and assert broadly that no nation in antiquity surpassed it in all those practices which go to make up a great trading country.

Evidence is overwhelming that the conquests of Rome were the necessary outcome of a development which demanded expansion and that they were not inspired by a desire to despoil weaker peoples. It is not essential to the working out of my theme that I should furnish proof of this but in passing I may say that the wars with Carthage in their inception were trade conflicts pure and simple, an assertion borne out by the fact that they were terminated by commercial treaties, which secured for Rome the right to trade with Carthage and her colonies.

Now closet-historians may conceive the possibility of a nation going to war with another nation to compel it to sell goods to its subjects but I am sure you will not. The Carthaginians were manufacturers and traders and it is unthinkable that they would interpose obstacles to anyone buying from them, but if we are to believe the most eminent writers of history Rome made war upon



them to secure that privilege. The assumption is rank nonsense. The treaty which concluded the first Punic war by its provisions gave the Romans the right to trade in Carthaginian territory and within Carthage's sphere of influence, and might serve as an excellent model for a modern reciprocity treaty which we all know has as its inspiration the desire of both signatories to sell — the buying matter always takes care of itself.

The misunderstanding concerning the industrial condition and attitude of ancient Rome is as great as that which has produced the impression that the Roman provinces were administered solely for the purpose of plundering their inhabitants. Evidence which ought to demonstrate conclusively that misgovernment was the exception is easily accessible, and much of it has a direct bearing on the subject I am treating as it vividly portrays the fact that the people of Rome demanded a strict accounting from those who served them in an official capacity. But my time will not permit me to treat this phase in detail, and besides there is other testimony more to my point in the orations of Cicero.

That eminent legal luminary and politician, in a speech in which he appeared for an actor named Roscius, gave an excellent sketch of private Roman bookkeeping which would permit any of my hearers to reconstruct the system. Roscius had engaged to teach a young slave who was articted to him his art, that of the comic actor. The slave was killed and the actor brought an action against the man who killed him and recovered damages to the amount of 100,000 sesterces. The man who had articted the slave had also recovered damages from the slayer, and suppressing the fact sought to make Roscius pay over one-half of the amount received by him. In his argument Cicero dwelt at length on the reputation of Fannius, the man who tried to overreach the actor, but his strongest point was that directed against the suspicious character of the bookkeeping of Fannius. Cicero said: "He says that I am indignant and sent the accounts too soon; he confesses that he has not this sum entered in his book of money received and expended; but he asserts that it does occur in his memoranda. Are you then so fond of yourself, have you such a magnificent opinion of yourself as to ask for money from us on the strength, not of your account books, but on your memoranda. To read one's

account books instead of producing witnesses is a piece of arrogance; but is it not insanity to produce mere notes of writings on scraps of paper? If memoranda have the same force and authority and are arranged with the same care as accounts where is the need of making an account book? Of making out careful lists? Of keeping a regular order? Of making permanent record of old writings? But if we have adopted the custom of making account books, because we put no trust in flying memoranda, shall that which, by all individuals is considered unimportant and not to be relied on, be considered important and holy before a judge? Why is it that we write down memoranda carelessly; that we make up account books carefully? For what reason? Because the one is to last a month, the other forever; these are immediately expunged, those are religiously preserved; these embrace the recollections of a short time, those pledge the honesty and good faith of a man forever; these are thrown away, those are arranged in order. Therefore, no one ever produced memoranda at a trial; men do produce accounts and read entries in books."

Few of my hearers would have any difficulty in reconstructing the main features of Roman bookkeeping from what I have quoted. The remarks of Cicero apparently show that the Romans kept a cash book and ledger, and that the latter was posted regularly every month. I ran across a criticism some years ago in a book on "Commerce in Antiquity," which was written towards the close of the eighteenth century by a Scotchman named MacPherson, in which the author ventured the opinion that no journal was used, but the absence of reference to such a book is untrustworthy evidence, for its use may have been so familiar that Cicero did not deem it necessary to mention it.

It is hardly probable that great care would have been exercised in writing up cash transactions, and that loose memoranda of credit transactions would have been deemed sufficient. Although there is no direct statement to that effect we may reasonably be certain that there was a day book, and that the complexities of Roman commercial intercourse pointed the way to the use of devices which would check the work of accountants.

The critic I have spoken of assumes that the hastily written memoranda, "with alterations or blottings," were posted from



directly, and that they were thrown away every month, but this hardly seems probable. If that was really the practice, and there was nothing intervening between the destroyed memoranda and the ledger, the expediting of books would have been a difficult procedure, although Cicero's reference to the evidence of witnesses to a transaction being of more consequence than the accounts suggests something of the sort.

The Romans long before Cicero's time had recourse to the joint stock system; and they had developed the business of banking to such a high degree that the moneyed men of the capital practically financed the world of the period. Some of the names of men most familiar to us were engaged in money operations on a scale that justly entitled them to be regarded as the Morgans and Rockefellers of their time. Private individuals are on record as making loans to countries to prosecute wars and industrial enterprise. Mining operations were carried on in the provinces on a vast scale for men who lived in Rome and furnished the capital. Pliny tells us that in Spain hydraulicking was engaged in to such an extent that mountains were literally washed away. In all the large provincial cities agencies of various kinds existed whose headquarters were in Rome.

It is inconceivable that these great and varied occupations could have been pursued without carefully devised and elaborated methods of accounting suited to each class of business. It is not probable that the petty shopkeeper kept his books in the same manner that those of Cræsus were kept. Cræsus, as you know, was the richest man in Rome in the period when Cæsar and Cicero were flourishing, and if we are to believe Ferrero, the most recent of Roman historians, he was the most extraordinary product of the times, for actually, if we are to accept the verdict of the historians, although the greatest money-lender in Rome, he was also the active friend and backer of Catiline who, they say, was advocating the abolition of all debt, and to accomplish his purpose was quite ready to burn down the city.

But it is not to point out the inconsistencies or dwell on the absurd conclusions of historical writers that I refer to Cræsus, but to call attention to the fact that his method of keeping track of affairs must have been highly elaborated to permit him to do what Plutarch tells us he did, and what no historian has seen fit



to challenge despite its inherent impossibility. Cræsus, he says, had an organized corps which, when a fire occurred in the city, hastened to the scene and at once made overtures for the purchase of the burning property, and that in the neighborhood which happened to be menaced by the flames. As the habit of mortgaging property was quite common in Rome these operators must have been walking halls of records to be able to carry on a business of the kind suggested.

They probably did nothing of the sort. The evidence is not clear, but the story points to the existence of some method of insurance against fire. Marine underwriting we know was quite common, for we have recorded instances, and nothing is more likely than that precautions to insure against disaster on the sea would be imitated by those interested in property on terra firma. Cræsus was probably largely interested in fire insurance and the corps spoken of by Plutarch was a body of men similar to our fire patrols, and their business was to extinguish fires before they gained headway. The misconception may have arisen through this corps refusing to exert itself when they knew Cræsus had no interest in preserving a particular property from destruction.

It is to emphasize the belief that a people as advanced in commercial practices as the existence of marine and fire insurance imply that the operations of Cræsus are cited, and to suggest that primitive methods of bookkeeping would have been out of place in such a stage of development; and also that it is in the highest degree improbable that accounts were kept on paper that was rolled on a stick as most commentators of ancient affairs assume was the case with manuscripts. MacPherson declares that "the books of the ancients which were not like ours, which are bound together by the inner sides of the leaves, but were long rolls containing divisions called 'poginae' which we call columns," and takes issue with Scoliger, who in touching upon the subject of accounts in antiquity assumed that what was paid out was written on the face of the paper and what was received on the back of it. MacPherson observes that this would be a very inconvenient arrangement, and I think you would all agree with him if you ever tried to keep the accounts of a big business on rolls of paper.

As a matter of fact there is no good reason for believing that

manuscripts in rolls were the only form of books known to the people of the time of Cicero. Pliny, who edited an encyclopædia which embraced a good deal, if not all, of the knowledge of his times, makes statements that contradict such an assumption. He tells us that the manufacturers of Rome made several kinds of paper, many varieties of which he expressly names, and he describes one kind which he says had the defect that "upon a single leaf being torn in the press more pages were apt to be spoilt than before."

Differing again from the Scottish critic who expresses wonder that the Romans never hit upon any device for multiplying copies of a manuscript, I feel reasonably certain that they did have such a device, and that it accounts for the extraordinary cheapness of books in the first century of our era. I was led to investigate this branch of the subject by the perception of the fact that a fac-simile process of some kind seems an absolute essential when governmental operations are carried on at a distance from the central authority as they were during many centuries by the Romans.

In another case in which Cicero was the prosecutor, that against Verres, we find him saying, "For I knew it was the custom of the collectors who kept the records, when they gave them up to the new collector to retain copies of the documents themselves." Of course, it is possible that these copies may have been laboriously produced by scribes, but when we consider the fact, which has often been overlooked, that the Romans were familiar with the process of transferring elaborate designs chased on silver vessels, and that they also were accustomed to reproducing patterns on walls, it seems in the highest degree improbable that they never hit upon a method of multiplying copies of documents.

These are interesting speculations, but the obscurities in such accounts as we have, while they challenge investigation, are not nearly so important as the many perfectly clear statements testifying to the prevalence of careful accounting, and to the fact that accountants were held in high esteem in antiquity. In the oration just referred to, that against Verres, who by the way was a wonderfully accomplished grafter, Cicero refers to the scribes as an honorable body of men, "because to their integrity are

entrusted the public accounts and the safety of the magistrates."

It is true that he also had something to say about those who betrayed the trust reposed in them, but he characterized them as men unworthy their calling and intimated pretty broadly that they effected their entrance into the honorable guild to which they belonged by improper methods. From his remarks it has been inferred by commentators that although there were rules which made it necessary for any one to obtain a position as public accountant to be a member of the order of scribes, that political boosting at times succeeded in putting men into place who lacked the necessary qualifications. These Cicero roundly denounced, while he declared his perfect willingness to accept as arbitrators in the case he was trying the men who were indignant that their order should be disgraced by the presence of black sheep who had gained their positions by the improper use of influence and money.

The speeches against Verres by Cicero completely establish that there was no looseness in governing the Roman provinces. Curiously enough they have been drawn upon to support the contention that the provincial system of Rome was hopelessly corrupt, and that the people of the provinces were regularly stripped by their Governors. It is true that Verres was a great scamp and answered perfectly to the description of the man who would steal everything but a red-hot stove, but over and over Cicero declares directly and by implication that his methods were exceptional. Speaking of the unsatisfactory condition of Verres' accounts, and alluding particularly to the meagerness of detail concerning an expenditure of 2,235,417 sesterces, he asked: "Is this giving in accounts? Did either I, or you, O Hortensius, or any man ever give in his accounts in this manner? What precedent is there of any such in all the number of accounts that have ever been received by public officers?"

It is certainly extraordinary to infer general malversation from a speech in which the declaration is made that the accused had violated all precedents, and whose withering scorn of the offenses charged was applauded by the jurors and the people, and which resulted in the voluntary retirement into banishment of the man who had used his office to enrich himself. It would be absurd to assume that Roman provincial officials never abused



### *Accounting in Antiquity*

their powers, but it is still more absurd to assume, as is commonly done, that the people of Rome were steeped in corruption to such an extent that they approved the rascalities of their officials.

If it were not for the fact that the zeal of the Middle Ages for the complete extirpation of all traces of paganism resulted in the destruction of a vast quantity of ancient literature, we should be able to get a clearer and more comprehensive view of accounting in antiquity. Unfortunately the monks have left us little of the purely technical of the past. They were ruthless editors and relentlessly cut out what they imagined would interfere with the attainment of eternal happiness hereafter, and as a result they interfered greatly with their present, definitely arresting the world's progress for many centuries.

But what we have left suffices to make plain that during hundreds of years the systems of public and private accounting had been brought to a high degree of perfection in antiquity, especially among the Romans. And even though we have but meager details of what was accomplished under the empire, we are well assured that its vast governmental operations were made easier of accomplishment by the skill of trained accountants whose business it was to keep track of the enormous receipts from all sources and the disbursement of the revenues. And even if there was a foundation for the assumption that the decadence of Rome was due to the extinction of patriotism, and the degenerization of the people, we may be sure that good accounting never contributed to that result. We should rather seek for it in another direction. When men began to center all their thoughts on a hereafter, and despised the things of Earth, accounting must have had its usefulness curtailed until by degrees it was shorn of all its virtues, the knowledge of which almost wholly disappeared in the gloom of the dark ages, and it was not restored until the aspiration for material things, after the arrestment of nearly a millennium, again started the world on the road to prosperity.



**C. P. A. LAWS**  
**As Enacted by the Several States**





**C. P. A. LAWS**  
**As Enacted by the Several States**  
**UNIVERSITY OF THE STATE OF NEW YORK**  
**COLLEGE DEPARTMENT.**  
**CERTIFIED PUBLIC ACCOUNTANTS LAWS**  
**OF NEW YORK, 1896.**

**Chapter 312.**

**AN ACT TO REGULATE THE PROFESSION OF PUBLIC ACCOUNTANTS.**

SECTION 1. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, residing or having a place for the regular transaction of business in the state, being over the age of 21 years and of good moral character, and who shall have received from the Regents of the University a certificate of his qualifications to practice as a public expert accountant, as hereinafter provided, shall be styled and known as a Certified Public Accountant, and no other person shall assume such title, or use the abbreviation "C. P. A." or any other words, letters or figures, to indicate that the person using the same is such certified public accountant.

SEC. 2. The Regents of the University shall make rules for the examination of persons applying for certificates under this act, and may appoint a board of three examiners for the purpose, which board shall, after the year 1897, be composed of certified public accountants. The Regents shall charge for examination and certificate such fee as may be necessary to meet the actual expenses of such examination, and they shall report annually, their receipts and expenses under the provisions of this act to the state comptroller, and pay the balance of receipts over expenditures to the state treasurer. The Regents may revoke any such certificate for sufficient cause after written notice to the holder thereof and a hearing thereon.

SEC. 3. The Regents may, in their discretion, waive the examination of any person possessing the qualifications mentioned in Section 1 who shall have been, for more than one year before the passage of this act, practicing in this State on his own account, as a public accountant, and who shall apply in writing for such certificate within one year after the passage of this act.

SEC. 4. Any violation of this act shall be a misdemeanor.

SEC. 5. This act shall take effect immediately.

Dated April 17, 1896.

NOTES ON THE LAW.

**CERTIFICATES.** The use of the abbreviation C. P. A. or any other words, letters or figures to indicate that the person using the same is a certified public accountant is prohibited except to those holding Regent certificates.

The C. P. A. certificate is granted only to an applicant at least 25 years of age who has had three years' satisfactory experience in the practice of accounting, one of which shall have been in the office of an expert public accountant.

Certificates will be revoked for cause.

**PRELIMINARY REQUIREMENTS.** The Regents 60 count qualifying certificate is required for admission to the C. P. A. examinations (*see Handbook 23*).

**PROFESSIONAL REQUIREMENTS.** A candidate for the C. P. A. certificate must be more than 21 years of age and of good moral character. He must pay a fee of \$25 and must take all four subjects at a single examination.

On March 31, 1910, the Regents amended their revised rules by the adoption of

**ENGLISH ESSENTIAL FOR QUALIFYING CERTIFICATES.** Hereafter all applicants for qualifying certificates upon equivalents from foreign countries other than those in which English is the language of the people, all or any part of which equivalent certificates are earned or issued in said foreign countries, shall pass the Regents examination in second year English.

**EXAMINATIONS.** The three examiners are appointed to serve for one year. Since 1897 the board has been composed of certified public accountants.

Two examinations are held annually in January or February and June respectively. There are five sessions of three hours each: (1) theory of accounts, 3 hours; (2-3) practical accounting, 6 hours; (4) auditing, 3 hours; (5) commercial law, 3 hours.

Applications should be made at least 10 days in advance to the New York State Education Department, Albany, N. Y.

PLACES.

New York, Albany, Syracuse, Buffalo.

Each candidate is notified as to the exact place.

DAILY PROGRAM.

*Morning, 9:15.*

Tuesday—Theory of accounts; Wednesday—Practical accounting (pt. 2); Thursday—Commercial law.

*Afternoon, 1:15.*

Tuesday—Practical accounting (pt. 1); Wednesday—Auditing.



**STATE OF PENNSYLVANIA.**

**AN ACT TO ESTABLISH A BOARD FOR THE EXAMINATION OF ACCOUNTANTS, TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO ACCOUNTANTS, AND TO PROVIDE A PUNISHMENT FOR THE VIOLATION OF THIS ACT.**

SECTION 1. Be it enacted, etc., That any citizen of the United States, residing or having an office for the regular transaction of business in the State of Pennsylvania, being over the age of twenty-one years and of good moral character, and who shall have received from the Governor of the State of Pennsylvania a certificate of his qualification to practice as a public expert accountant, as hereinafter provided, shall be designated and known as a certified public accountant, and no other person shall assume such title, or use the abbreviation "C. P. A.," or any other words, letters or figures to indicate that the person using the same is such certified public accountant. Every person holding such certificate, and every co-partnership of accountants, every member of which shall hold such certificates, may assume and use the title of certified public accountants, or the abbreviation thereof, C. P. A.; *Provided*, That no other person or co-partnership shall use such title or abbreviation, or other words, letters or figures, to indicate that the person or co-partnership using the same is such certified public accountant.

SEC. 2. The Governor of the State of Pennsylvania shall appoint a board of five examiners for the examination of persons applying for certificates under this act. Three of said examiners shall be public accountants, who shall have been in practice as such for at least five years; one of whom shall be appointed for the term of one year, one for two years, and one for three years, and upon the expiration of each of said terms an examiner shall be appointed for the term of three years, and after one thousand eight hundred and ninety-nine these three examiners shall be certified public accountants. The other two examiners shall be practicing attorneys in good standing in any of the courts in the State of Pennsylvania; one of them shall be appointed for the term of one year, and the other for two years, and upon the expiration of each of said terms a successor shall be appointed for the term of two years. The examination for certificates shall be based upon an examination in commercial law and general accounting; said examination shall take place in Philadelphia, Harrisburg, and Pittsburg, twice a year, during the months of May and November of each year, under such rules and regulations as may be adopted by the board. The fees provided by this act shall be twenty-five dollars for each applicant, from which shall be paid from the expenses incident to such examination for stationery and clerk hire, a sum not exceeding two hundred dollars, and if any surplus above said expenses shall remain at the end of any year it shall be paid, after the traveling

expenses of the board shall be deducted therefrom, into the treasury of the Commonwealth. The results of such examinations shall be certified to the Governor and filed in the office of the Secretary of Internal Affairs, and kept for reference and inspection for a period not less than five years; the Governor to issue the certificates.

SEC. 3. The Governor of the State of Pennsylvania may revoke any such certificate for sufficient cause, upon the recommendation of the board of examiners, who shall have given written notice to the holder thereof, and after he has had a hearing thereon.

SEC. 4. The board of examiners may, in its discretion, waive the examination of any person who shall have been for three years before the passage of this act practicing in the State of Pennsylvania as a public accountant, and who shall apply in writing for such certificate within one year after the passage of this act.

SEC. 5. If any person shall hold himself out as having received the certificate provided for in this act, or shall assume to practice thereunder as a certified public accountant, or use the initials C. P. A., without having received such certificate, or after the same shall have been revoked, he shall be deemed guilty of misdemeanor, and on conviction thereof shall be sentenced to pay a fine not exceeding five hundred dollars.

Approved the 29th day of March, A. D. 1899.

(Signed) WILLIAM A. STONE.

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## STATE OF MARYLAND.

### Chapter 719 — Acts 1900.

#### AN ACT TO REGULATE THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTANT IN THE STATE OF MARYLAND.

SECTION 1. Be it enacted by the General Assembly of Maryland, That any citizen of the United States, or person who has duly declared his intention of becoming such citizen, residing or having a place for the regular transaction of business in the State of Maryland, being over the age of twenty-one years and of good moral character, and who shall have received from the Governor of the State of Maryland a certificate of his qualification to practice as a public expert accountant, as hereinafter provided, shall be styled and known as a certified public accountant; and no other person shall assume such title, or use the abbreviation "C. P. A.," or any other words, letters or figures to indicate that the person using the same is such certified public accountant.

SEC. 2. The Governor shall, within sixty days after the passage of this Act, appoint a board of four examiners for the examination of per-

sons applying for certificates under this Act; two of said examiners shall be public accountants, selected from a list of six names proposed by the Maryland Association of Public Accountants, one of which said two examiners shall hold office for the term of one year, and one for the term of two years, and upon the expiration of each of said terms, and of each succeeding term, an examiner shall be appointed for the term of two years, and after the year nineteen hundred each successor to said two examiners shall be appointed from such persons as may hold certificates as Certified Public Accountants under this Act. The other two of said board of examiners shall be practicing attorneys, in good standing, in any of the courts of the State of Maryland; one of them shall hold office for the term of one year, the other for the term of two years, and upon the expiration of each of said terms and each succeeding term a successor shall be appointed for the term of two years, such successors to be practicing attorneys, in good standing, as hereinbefore mentioned.

SEC. 3. Examinations of persons applying for certificates under this Act shall be held at least once every year, and be conducted according to such rules and regulations as the said board of examiners may adopt for the purpose. The results of such examinations shall be certified to the Governor, and to all persons who may have passed examination satisfactory to said board of examiners, and by it been recommended, the Governor shall issue the certificate mentioned in the first section of this Act.

SEC. 4. The board of examiners shall charge for examination and certificate such fee as may be necessary to meet the actual expenses of such examination and issuing of such certificate, and shall report annually the receipt and expenses under the provisions of this Act to the State Comptroller, and the surplus, if any, of receipts over expenses shall be paid into the State Treasury. The Governor may revoke any certificate issued under the provisions of this Act for a sufficient cause; provided written notice shall have been given to the holder thereof, and after he has had an opportunity for a hearing thereon.

SEC. 5. The board of examiners may in its discretion waive the examination of any person possessing the qualifications mentioned in Section 1 of this Act, who shall have been at the time of the passage of this Act practicing in this State as a public accountant on his own account, and who shall apply in writing to said board for such certificate within one year after the passage of this Act, and upon the recommendation of said board the Governor shall issue said certificate to such person.

SEC. 6. Any person who shall violate any of the provisions of this Act shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court having criminal jurisdiction shall be fined not less than fifty dollars nor more than two hundred dollars, or be confined not more than six months in the county jail, if the conviction takes place in Baltimore City, in the Baltimore City jail, in the discretion of the court.



SEC. 7. And be it enacted, That this Act shall take effect from the date of its passage.

Approved April 10, 1900.

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**STATE OF CALIFORNIA.  
STATE BOARD OF ACCOUNTANCY.**

**Chapter 213.**

AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE EXAMINATION OF AND ISSUANCE OF CERTIFICATES TO QUALIFIED APPLICANTS, WITH THE DESIGNATION OF CERTIFIED PUBLIC ACCOUNTANT; AND TO PROVIDE THE GRADE OF PENALTY FOR VIOLATIONS OF THE PROVISIONS HEREOF.

(Approved March 23, 1901.)

The People of the State of California, represented in Senate and Assembly, do enact as follows:

SECTION 1. Within thirty days after the passage of this act the governor shall appoint five persons, at least three of whom shall be competent and skilled public accountants who shall have been in practice as such in this state for not less than five consecutive years, to constitute and serve as a state board of accountancy. The members of such board shall, within thirty days after their appointment, take and subscribe to the oath of office as prescribed by the Political Code, and file the same with the Secretary of State. They shall hold office for four years, and until their successors are appointed and qualified; save and except that one of the members of the Board first to be appointed under this act shall hold office for one year; one for two years; one for three years, and two for four years. Any vacancies that may occur, from any cause, shall be filled by the governor for the unexpired term; provided, that all appointments made after the first year must be made from the roll of certificates issued and on file in the office of the governor.

SEC. 2. The State Board of Accountancy shall have its office in the city and county of San Francisco, and its powers and duties shall be as follows:

1. To formulate rules for the government of the board and for the examination of and granting of certificates of qualification to persons applying therefor;

2. To hold written examinations of applicants for such certificates, at least semi-annually, at such places as circumstances and applications may warrant;

3. To grant certificates of qualification to such applicants as may, upon examination, be found qualified in "theory of accounts," "practical accounting," "auditing," and "commercial law," to practice as certified public accountants;

4. To charge and collect from all applicants such fee, not exceeding twenty-five dollars, as may be necessary to meet the expenses of examination, issuance of certificates and conducting its office; provided, that all such expenses, including not exceeding five dollars per day for each member while attending the sessions of the board or conducting examinations, must be paid from the current receipts, and no portion thereof shall ever be paid from the state treasury;

5. To require the annual renewal of all such certificates, and to collect therefor a renewal fee of not exceeding one dollar;

6. To revoke for cause any such certificate, after written notice to the holder, and a hearing being had thereon; provided, that such revocation must receive the affirmative vote of at least four members of the board;

7. To report annually to the governor, on or before the first day of December, all such certificates issued or renewed, together with a detailed statement of receipts and disbursements; provided, that any balance remaining in excess of the expenses incurred may be retained by the board and used in defraying the future expenses thereof;

8. The board may, in its discretion, under regulations provided by its rules, waive the examination of applicants possessing qualifications mentioned in section three, who shall have been for more than three years prior to the passage of this act practicing in this state as public accountants on their own account, and who shall, in writing, apply for such certificates within one year thereafter.

SEC. 3. Any citizen of the United States, or any person who has duly declared his intention of becoming such citizen, residing and doing business in this state, being over the age of twenty-five years and of good moral character, may apply to the state board of accountancy for examination under its rules, and for the issuance to him of a certificate of qualification to practice as a certified public accountant, and upon the issuance and receipt of such certificate, and during the period of its existence, or of any renewal thereof, he shall be styled and known as a certified public accountant or expert of accounts, and no other person shall be permitted to assume and use such title or to use any words, letters or figures to indicate that the person using the same is a certified public accountant.

SEC. 4. Any violation of the provisions of this act shall be deemed a misdemeanor.

SEC. 5. This act shall take effect from and after its passage.

**STATE OF ILLINOIS.**

**Senate Bill No. 382. House Bill No. 750.**

**A BILL FOR AN ACT TO REGULATE THE PROFESSION OF  
PUBLIC ACCOUNTANTS.**

SECTION. 1. Be it enacted by the people of the State of Illinois, represented in the general assembly, that any citizen of the United States or person who has duly declared his intention of becoming such citizen, having a place for the regular transaction of business as a professional accountant in the State of Illinois, being over the age of twenty-one years, of good moral character, being a graduate of a high school with a four years' course, or having had an equivalent education, and who shall have received from the University of Illinois a certificate of his qualifications to practice as a public expert accountant as hereinafter provided, shall be styled and known as a "Certified Public Accountant"; and no other person shall assume such title or use the abbreviation "C. P. A.," or any other words or letters to indicate that the person using the same is a Certified Public Accountant.

SEC. 2. The University of Illinois shall determine the qualifications of persons applying for certificates under this Act and shall make rules for the examination of the same, and for this latter purpose shall appoint three examiners, at least two of whom shall be skilled in the practice of accounting and actively engaged therein in the State of Illinois, and the third shall be either an accountant of the grade herein described or an attorney skilled in commercial law.

The time and place of holding the examinations shall be duly advertised, for not less than three consecutive days, in one daily newspaper published in each of the places where the examinations are to be held, not less than thirty days prior to the date of each examination.

The examination shall be in "Theory of Accounts," "Practical Accounting," "Auditing," and "Commercial Law" as affecting accountancy.

The examinations shall take place as often as may be necessary in the opinion of the University, but not less frequently than once a year.

SEC. 3. The University of Illinois may in their discretion, under regulations provided by their rules, waive all or any part of the examination of any applicant possessing the qualifications mentioned in Section 1, who shall have had five successive years' previous experience as a public accountant previous to the date of application, who shall apply in writing within one year after the passage of this Act, and who shall have been practicing in this state as a public accountant, on his own account, for a period of not less than one year next prior to the passage of this Act; also to any person who shall have been actively engaged in practice as a public accountant for not less than five years next prior to the passage



### *C. P. A. Laws*

of this Act, outside of the State of Illinois, who shall have passed an examination equivalent, in the opinion of the University of Illinois, to the examination to be held under the provision of this Act.

SEC. 4. (a) The University shall charge for the examination and certificate a fee of twenty-five dollars (\$25) to meet the expenses of such examinations. This fee shall be payable by the applicant at the time of filing his application.

(b) The Examiners appointed by the University of Illinois shall be paid for the purpose of this Act for the time actually expended in the pursuance of the duties imposed upon them by this Act, an amount not exceeding ten dollars (\$10) per day, and they shall be further entitled to their necessary traveling expenses. All expenses provided for by this Act must be paid from the receipts under this Act, and no expense incurred under this Act shall be a charge against the funds of the University.

(c) From the fees collected under Section 4 the University of Illinois shall pay all the expenses incident to the examinations held under this Act, the expense of issuing certificates, and traveling expenses of the examiners, and their compensation while performing their duties under this Act.

SEC. 5. The University may revoke any certificates issued under the provision of this Act, for unprofessional conduct or other sufficient cause, provided that written notice shall have been previously mailed to the holder of such certificate twenty days before any hearing thereon, stating the cause for such contemplated action, and appointing a date for a full hearing thereof by the University; and provided further, that no certificates shall be revoked until a hearing shall have been made.

SEC. 6. If any person shall represent himself to the public as having received a certificate as provided in this Act, or shall assume to practice as a Certified Public Accountant, or use the abbreviation "C. P. A.," or any similar words or letters to indicate that the person using the same is a Certified Public Accountant, without having received such certificate; or if any person having received a certificate as provided in this Act, and having thereafter lost such certificate by revocation as herein provided, shall continue to practice as a Certified Public Accountant; he shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined a sum not exceeding two hundred dollars (\$200) for each offense; providing that nothing herein contained shall operate to prevent a Certified Public Accountant who is the lawful holder of a certificate issued in compliance with the laws of another State, from practicing as such within this State, and styling himself a Certified Public Accountant.

May 15, 1903.

**STATE OF WASHINGTON.  
STATE BOARD OF ACCOUNTANCY.**

AN ACT TO CREATE A "STATE BOARD OF ACCOUNTANCY," AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE EXAMINATION OF, AND ISSUANCE OF CERTIFICATES TO, QUALIFIED APPLICANTS, WITH THE DESIGNATION OF CERTIFIED PUBLIC ACCOUNTANT, AND TO PROVIDE THE PENALTY FOR VIOLATIONS OF THE PROVISIONS THEREOF.

Be it enacted by the Legislature of the State of Washington, as follows, to wit:

SECTION 1. Within thirty days after this act shall take effect, the Washington Association of Public Accountants shall elect fifteen reputable and skilled accountants, who shall have been in practice as such not less than three consecutive years, from which the Governor shall appoint five. The said five skilled accountants duly elected and appointed shall constitute the Board of Accountancy of the State of Washington, and shall hold office, as respectively designated in their appointments, for the term of one, two, three, four, or five years, as hereinafter provided, and until their successors have been duly elected and appointed. The members of such board shall, within thirty days after their appointment, take and subscribe to the oath of office as prescribed by the statutes of the State of Washington, and file the same with the Secretary of State. The Certified Public Accountants of the State of Washington, as hereinafter provided, shall annually elect five of their number, one of whom the Governor of the State of Washington shall appoint to fill the vacancy annually occurring in said board, such appointment to be for the term of five years. In case of a vacancy occurring from any cause, the Governor shall fill the vacancy by appointing a Certified Public Accountant from the names last submitted, to serve as a member of the board for the remainder of the term.

SEC. 2. The State Board of Accountancy shall have its office at such place in the State of Washington as shall be designated by the board, and its powers and duties shall be as follows:

First: To formulate rules for the government of the board and for the examination of, and granting of certificates of qualification to, persons applying therefor.

Second: To hold written examinations of applicants for such certificates, at least semi-annually, at such places as circumstances and applications may warrant.

Third: To grant certificates of qualification to such applicants as may, upon examination, be found qualified in "theory of accounts," "practical

*C. P. A. Laws*

accounting," "auditing," and "commercial law," to practice as Certified Public Accountants.

Fourth: To charge and collect from all applicants such fee, not exceeding twenty-five dollars, as may be necessary to meet the expenses of examination, issuance of certificates, and conducting its office; provided, That all such expenses, including not exceeding five dollars per day for each member while attending the sessions of the board or conducting the examinations, must be paid from the current receipts; and no portion thereof shall ever be paid from the State Treasury.

Fifth: To revoke for cause such certificate, after written notice to the holder, and a hearing being had thereon; Provided, That such revocation must receive the affirmative vote of at least four members of the board.

Sixth: To report annually to the Governor, on or before the first day of January in each year, all such certificates issued during the preceding year, together with a detailed statement of receipts and disbursements; Provided, That any balance remaining in excess of the expenses incurred may be retained by the board and used in defraying the future expenses thereof.

Seventh: The board may, in its discretion, under regulations provided by its rules, waive the examination of applicants possessing the qualifications mentioned in sub-section three of this section, who shall have been for more than one year prior to the passage of this act, residents of the State of Washington, and who shall, in writing, apply for such certificate within one year thereafter.

Eighth: Every Certified Public Accountant, during the time he continues the practice of his profession shall, annually, on such date as the Board of Accountancy may determine pay to the secretary of said Board of Accountancy, a fee of one dollar, in return for which payment he shall receive a renewal certificate for one year.

SEC. 3. Any citizen of the United States, or any person who has duly declared his intention of becoming such citizen, residing and doing business in the State of Washington, being over the age of twenty-five years and of good moral character, may apply to the State Board of Accountancy for examination under its rules, and for the issuance to him of a certificate of qualification to practice as a Certified Public Accountant; and upon the issuance and receipt of such certificate, and during the period of its existence, he shall be styled and known as a Certified Public Accountant, and no other person shall be permitted to assume and use such title, or to use any words, letters or figures, to indicate that the person using the same is a Certified Public Accountant, or expert of accounts.

SEC. 4. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof before any court of



competent jurisdiction, shall be punished by a fine in any sum not exceeding one hundred dollars.

SEC. 5. This act shall take effect from and after its passage and approval by the Governor.

March 12, 1903.

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## THE LAW — STATE OF NEW JERSEY.

Copy of an Act of the Legislature, Chapter 230, page 400, Laws of 1904. Approved by Gov. Franklin Murphy, April 5, 1904, creating New Jersey State Board of Public Accountants.

### AN ACT TO REGULATE THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTANTS.

Be it enacted by the Senate and General Assembly of the State of New Jersey:

SECTION 1. Within sixty days after the passage of this act the Governor of the State of New Jersey shall appoint three persons, who shall be public accountants residing in the State of New Jersey, and who have been engaged in the practice of their profession for at least three years; the said three persons shall constitute the New Jersey State Board of Public Accountants, one of whom shall be appointed to hold office for one year, one shall be appointed to hold office for two years and one shall be appointed to hold office for three years.

SEC. 2. Upon the expiration of the term of each member, the Governor shall appoint his successor from among the certified public accountants of the State of New Jersey for a term of three years, in like manner as the previous appointments; each member shall hold over after the expiration of his term until his successor shall have been duly appointed and qualified.

SEC. 3. Any vacancy occurring in the membership of the State Board of Public Accountants shall be filled for the balance of the unexpired term in like manner; the members of the Board shall serve without compensation for their services, except as hereinafter provided.

SEC. 4. The members of the New Jersey State Board of Public Accountants shall, before entering upon the discharge of their duties, and within thirty days after their appointment, take and subscribe an oath before any officer authorized to administer oaths in the State, for the faithful performance of duty, and file the same with the Secretary of State; they shall annually elect from their Board a president, a secretary and a treasurer; the offices of secretary and treasurer may, by vote of the Board, be consolidated and held by one person; the officers shall receive

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such compensation for their services as may be determined by the Board, as hereinafter provided.

SEC. 5. The Board may adopt all necessary rules, regulations and by-laws to govern its proceedings, not inconsistent with the laws of this State or of the United States; the Board may adopt a seal, and the secretary shall have the care and custody thereof, and shall keep a record of all the proceedings of the Board, which shall be open to public examination.

SEC. 6. Two members of the Board shall constitute a quorum.

SEC. 7. The Board may adopt rules and regulations for the examination and registration of applicants desiring to practice the profession of public accountant, in accordance with the provisions of this act, and may amend, modify and repeal such regulations from time to time.

SEC. 8. The Board shall immediately, upon the election of each officer thereof, and upon the adoption, repeal or modification of the rules and regulations for the registration of applicants, file with the Secretary of State and publish in at least one daily newspaper in the State the name, and post office address of each officer and a copy of such rules and regulations or the amendment, repeal or modification thereof.

SEC. 9. Provision shall be made by the State Board of Public Accountants for holding examinations at least twice a year of applicants, for registration to practice the profession of public accountant, if there shall be any such applicants; and the Governor, upon the recommendation of the State Board of Public Accountants, shall have the power to issue to any citizen of the United States, residing in or having a place for the regular transaction of business in the State of New Jersey, who shall be over the age of twenty-one years and of good moral character, a certificate authorizing him to practice as a public expert accountant, and such person shall be styled and known as a "certified public accountant."

SEC. 10. The Governor may, in his discretion, on the written recommendation of the Board, waive the examination of any person possessing the qualifications mentioned in section nine of this act, and issue to said person a certificate; provided he shall have practiced for more than three years before the passage of this act as a public accountant in this State, and shall apply in writing for such certificate within one year after passage of this act.

SEC. 11. The Board of Examiners may, in their discretion, waive the examination of any person who shall at the time of his application reside or have a place for the regular transaction of business in the State, and shall hold a valid and unrevoked certificate as a certified public accountant, issued by or under the authority of any State or Territory; provided, that the State issuing the original certificate grants similar privileges to the certified public accountants of this State.

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SEC. 12. Before any such certificate shall be issued to any applicant therefor, he shall pay to the treasurer of the State Board of Public Accountants the sum of \$25.

SEC. 13. The Governor may, upon recommendation of the Board, revoke any certificate theretofore issued by him; provided, that said recommendation be made after a hearing thereon before said Board, due notice of which shall be given to the holder thereof, and for sufficient cause shown in said hearing.

SEC. 14. If any person shall advertise or put out any sign, card or drawing designating himself as a certified public accountant, or shall assume the title of certified public accountant, or use the abbreviation "C. P. A." or any other words, letters and figures, to indicate that the person using the same is such certified public accountant, without a certificate thereof, in accordance with the provisions of this act, he shall be guilty of a misdemeanor, and, upon conviction, shall be fined not less than \$50 and not more than \$500 for each offence, or shall be imprisoned in the county jail for a period of not less than one month.

SEC. 15. The expenses of said Board, of the officers thereof, and of the examination held by said Board, and of any other matter in connection with the provisions of this act, shall be paid from the registration fees above provided for, and not otherwise; in no case shall such expenses or any part thereof be paid by the State of New Jersey, or be a charge against said State.

SEC. 16. An itemized account of all receipts and expenditures of said Board shall be kept by its treasurer and a detailed report thereof each year, ending with the 30th day of September, duly verified by the affidavit of the said treasurer, shall be filed with the Secretary of State within sixty days thereafter. Said Secretary of State shall be paid such fees therefor as are now paid for filing similar papers in his office.

SEC. 17. The members of the Board shall be entitled to reimbursement for their traveling and hotel expenses incurred in pursuance of their duties, not to exceed \$5 per diem for each member of said Board, and the officers of said Board shall receive such annual compensation as shall be provided by the Board by resolution adopted by it at a regular meeting; no member of the Board shall be held personally responsible for any portion of the salaries of the aforesaid officers, should the fees for certificates received by said Board be insufficient to meet the same.

SEC. 18. Any surplus of fees in the treasury of said Board over and above the sum of \$500, after the payments of the expenses of the members of the Board, and the salaries of the officers thereof, as herein provided for, shall be paid annually to the treasurer of the State of New Jersey, and shall thereafter be paid out only on the warrant and authority of the comptroller of the State of New Jersey.

SEC. 19. This act shall take effect immediately.



**MICHIGAN C. P. A. LAW.**

AN ACT TO ESTABLISH A BOARD OF ACCOUNTANCY, TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO THOSE PUBLIC ACCOUNTANTS WHO QUALIFY UNDER THE PROVISIONS OF THIS ACT AND TO PROVIDE A PENALTY FOR VIOLATIONS THEREOF.

*The People of the State of Michigan enact:*

SECTION 1. Any person, residing or having a place for the regular transaction of business in the State of Michigan, being over the age of twenty-one years, of good moral character, who shall have received from the Governor of the State of Michigan a certificate of his qualifications to practice as a public accountant, as hereinafter provided, shall be styled and known as a certified public accountant, and no other person shall assume such title or use the abbreviation C. P. A., or any other words, letters, or figures, to indicate that the person using the same is such certified public accountant.

SEC. 2. Within thirty days after this act takes effect, the Governor shall appoint three persons to constitute and serve as a Board of Accountancy. Two members of this board first appointed shall be selected by the Governor from a list of names of public accountants who have been practicing in the State of Michigan for a period of at least three years, one of whom shall be appointed for a term ending January first, nineteen hundred eight, and one for a term ending January first, nineteen hundred ten, and upon the expiration of each of said terms and of each succeeding term, a member shall be appointed for a term of three years. *Provided*, that the successors to the first two members who are public accountants shall be selected from the holders of certificates under this act. One member of this board shall be a practicing attorney, in good standing in the courts of the State of Michigan, appointed in the first instance for a term ending January first, nineteen hundred nine, and upon the expiration of said term, and of any succeeding term, a member shall be appointed for a term of three years, such successors to be practicing attorneys in good standing, as hereinbefore mentioned. Any vacancies that may occur from any cause shall be filled by the Governor for the unexpired term under the same conditions that govern regular appointments.

SEC. 3. The Board of Accountancy shall at its first meeting, formulate rules for its own guidance, not inconsistent with the provisions of this act, a copy of which shall be sent to all public accountants in the State. Satisfactory evidence of good moral character shall be required from each applicant for this certificate. Examinations of persons applying for certificates under this act shall be held at least twice each year at such time and places as applications may warrant. The time and place for holding the examination shall be duly advertised at least three

consecutive days in a daily newspaper published in Detroit, Grand Rapids, Saginaw, Marquette and Houghton, at least thirty days prior to the date for such examination, and notice of the same shall be mailed to all holders of certificates under this act as well as applicants. The examination shall cover the following subjects: Theory of accounts, practical accounting, auditing and commercial laws as affecting accountancy. The fees for such examination shall be twenty-five dollars for each applicant, payable to the treasurer of the board at least ten days prior to the holding of the examination. The board may in its discretion, waive the examination of any applicant not later than the year nineteen hundred six, who in addition to the qualifications mentioned in section one, shall have been a practicing public accountant in this State for more than one year prior to the passage of this act. Each applicant for whom examination is waived, shall pay to the treasurer of the board the sum of twenty-five dollars, when recommended to the Governor for a certificate. The board shall maintain a register of the names and addresses of all persons receiving certificates under this act. The members of the board shall receive as compensation for their services ten dollars per day for the time actually spent and the necessary expenses incurred in the discharge of their duties as members of said board, *Provided, however,* That all compensation for services and expenses shall not exceed the amounts received as fees from applicants. All bills for expenses and salaries shall be allowed in open meeting of the board and shall be paid from the fees received under the provisions of this act. All money received in excess of payments shall be paid into the State Treasury at the end of each year, and so much thereof as shall be necessary to meet the current expenses of said board shall be subject to the order thereof, if, in any year, the receipts of said board shall not be equal to its expenses. The board shall make an annual report to the Governor, containing a full account of its proceedings, and render an annual financial account to the Board of State Auditors.

SEC. 4. The Governor shall issue certificates to those persons who are recommended to him by the Board of Accountancy as having qualified under provisions of this act. The governor may revoke any certificate for sufficient cause, after written notice to the holder thereof, and a hearing thereon, and shall issue such notice whenever requested to by the board.

SEC. 5. The Board of Accountancy may, in its discretion, register the certificate of any certified public accountant who is the lawful holder of a C. P. A. certificate issued under the law of another state, and may issue to such certified public accountant a certificate of registration, which certificate shall entitle the holder to practice as such certified public accountant, and to use the abbreviation C. P. A. in this State: *Provided, however,* That such other state extends similar privileges to certified public accountants of this State. The regular fee of twenty-five dollars shall be charged for such certificate. Certificates of registration may be canceled in

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the same manner as section four provides for the revoking of certificates issued under this act.

SEC. 6. If any person shall hold himself out to the public as having received a certificate as provided in this act, or shall assume to practice as a certified public accountant or use the abbreviation C. P. A., or any other letters, words or figures to indicate that the person using the same is such certified public accountant, without having received such certificate or after the same shall have been revoked, he shall be deemed guilty of a misdemeanor, the penalty for which shall be a fine of not less than one hundred dollars nor more than five hundred dollars for each offence or imprisonment in the county jail for a period not exceeding six months.

SEC. 7. Every person having been granted a certificate under the provisions of this act, shall give a five thousand dollar bond to the Secretary of State before entering upon his duties, for the faithful performance of the same.

May 4, 1905.

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### STATE OF FLORIDA.

#### Chapter 5425.

#### (No. 54.)

AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND TO PRESCRIBE ITS POWERS AND DUTIES, TO PROVIDE FOR THE EXAMINATION OF QUALIFIED ACCOUNTANTS AND TO PROVIDE A PENALTY FOR VIOLATION OF THIS ACT.

*Be it enacted by the Legislature of the State of Florida:*

SECTION 1. That any person residing in the State of Florida, being over the age of twenty-one years, of good moral character, being a graduate of a high school with a four years' course of study, or having had an equivalent education, who shall have received from the State Board of Accountancy a certificate of his qualifications to practice as a public expert accountant, as hereinbefore provided, shall be styled and known as a certified public accountant; and no other person shall assume such a title, or use the abbreviation "C. P. A.," or any words or letters to indicate that the person using the same is such certified public accountant.

SEC. 2. The Governor shall within thirty days after the passage and approval of this act, appoint three persons residing in this State, who shall be skilled in the practice of accounting, to constitute and serve as a State Board of Accountancy. The members of such Board shall hold office for three years and until their successors have been appointed and have qualified, except that one of the members of the State Board of Accountancy, first to be appointed under this act shall hold office for one year, and one for two years. Upon expiration of each of said terms, an



examiner shall be appointed for the term of three years, and after the year one thousand nine hundred and six the examiners appointed shall be holders of certificates issued under this act.

SEC. 3. The State Board of Accountancy shall make rules which shall be applied uniformly in all examinations held under this act. Said examinations shall be held at least once each year at some accessible place and notice of the time and place of each such examination shall be advertised in three or more papers whose circulation is most general throughout the State. The examinations shall be in "Theory of Accounts," "Practical Accounting," "Auditing," and "Commercial Law as affecting Accountancy."

SEC. 4. The State Board of Accountancy shall charge for the examination and certificate provided for in this act, a fee of twenty-five dollars to meet the expenses of such examination. The fee shall be payable by the applicant at the time of filing his application. The State Board of Accountancy shall report annually to the Governor the names of all persons receiving certificates, or whose certificates are registered, or revoked; and the receipts and expenses under this act. Out of the funds collected under this act shall be paid the actual expenses of the State Board of Accountancy in conducting such examinations and issuing such certificates, and an amount not exceeding ten dollars a day to each member of said Board for the time actually expended in the pursuance of such duties imposed upon them by this act. Provided, that no expense incurred under this act shall be a charge upon the funds of the State, and provided further, that any funds remaining in the treasury of the Board shall be reported annually to the State Comptroller and paid in to the State Treasury for the benefit of the school fund. Provided, that the charge of each such Certified Public Accountant shall in no case exceed ten dollars per day.

SEC. 5. The State Board of Accountancy may, in its discretion, register the certificate of any Certified Public Accountant who is a lawful holder of a certified public accountant's certificate issued under the law of another State, and may issue to such Certified Public Accountant a certificate of registration, which certificate shall entitle the holder to practice as such Certified Public Accountant and to use the abbreviation "C. P. A." in this State; provided that the State issuing the original certificate grants similar privileges to the Certified Public Accountants of this State. The State Board of Accountancy may charge for such certificate of registration such fee as may be necessary to meet the expenses of such registration.

SEC. 6. The State Board of Accountancy may at its discretion, waive the examination of any person possessing the qualifications mentioned in Section 1 of this act who shall have for more than three years before the passage of this act been practicing in this State on his own account as a public accountant, who shall apply in writing to said Board for such certificate within one year after the passage of this act. The applicant shall pay such fee as the board in its discretion shall deem fit.

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SEC. 7. The State Board of Accountancy may revoke any certificate issued under this act, or may cancel the registration of any certificate registered under this act, for unprofessional cause, provided, that written notice shall have been mailed to the holder of such certificate twenty days before any hearing thereon, stating the cause for any such contemplated action, and appointing a day for a full hearing thereon by the State Board of Accountancy.

SEC. 8. If any person shall represent himself to the public as having received a certificate as provided in this act, or shall assume to practice as a Certified Public Accountant, or use the abbreviation "C. P. A.," or any similar words or letters to indicate that the person using the same is a Certified Public Accountant, without holding a valid certificate issued under the provisions of this act, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined a sum not exceeding two hundred (\$200) dollars for each conviction, or shall be imprisoned not exceeding six months.

SEC. 9. In every case of conviction under this act, whether by plea of guilty or otherwise, the costs of prosecution shall be taxed against the defendant.

SEC. 10. This act shall become a law immediately upon its approval by the governor.

Approved June 5, 1905.

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## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS.

### Chapter 1370.

#### AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND TO REGULATE THE BUSINESS OF CERTIFIED PUBLIC ACCOUNTANTS.

*It is enacted by the General Assembly as follows:*

SEC. 1. It shall be unlawful for any person to practice as a certified public accountant in this State unless he shall have first obtained a certificate of registration as provided in this act. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, having a place for the regular transaction of business as a professional accountant in this State, being over the age of twenty-one years, of good moral character, who shall have received as hereinafter provided in this act a certificate of his qualifications to practice as a certified public accountant, shall be deemed and known as a certified public accountant under the provisions of this act; and no person, unless he has received a certificate under the provisions of this act, shall advertise or in any manner use such name of certified public accountant, or the abbreviation "C. P. A.," or any other words or letters, or any imitation

thereof, tending to indicate that the person so advertising or using the same is such certified public accountant.

SEC. 2. A board of examiners, to be known as the state board of accountancy, is hereby created to carry out the purposes and enforce the provisions of this act. The members of said board, when appointed, shall be citizens of this state and skilled in the practice of accounting, and when appointed shall have been actively engaged therein on their own account in this state for not less than the three years next preceding the date of their appointment. At the present session of the general assembly the governor, with the advice and consent of the senate, shall appoint one member of said board to hold office until the first day of February, A. D. 1907; one member of said board to hold office until the first day of February, A. D. 1908; and one member of said board to hold office until the first day of February, A. D. 1909. At the January session of the general assembly, A. D. 1907, and at the January session of the general assembly in every year thereafter, the governor, with the advice and consent of the senate, shall appoint one member of said board; who when appointed shall be a certified public accountant, to hold office until the first day of February in the third year after his appointment, to succeed the member of such board whose term will next expire: *Provided*, that any vacancy which may occur in said board when the senate is not in session shall be filled by the governor until the next session thereof, when he shall, with the advice and consent of the senate, appoint some person, who when appointed shall be a certified public accountant, to fill such vacancy for the remainder of the term. The members of said board may be removed by the governor, for such cause as he shall deem sufficient and shall express in the order of removal. Each member of said board, unless he resigns or is removed, shall hold office until the appointment and qualification of his successor. Each member of said board shall give a bond in the sum of one thousand dollars, with surety or sureties, to be approved by the general treasurer, conditioned for the faithful performance of his duties, and shall take the oath provided by law for public officers.

SEC. 3. Said state board of accountancy shall organize, as soon as may be after their appointment and qualification, by electing one of their members chairman and one of their members secretary and one of their members treasurer (except that said board may elect the same member secretary and treasurer); such organization shall continue until the appointment and qualification of any new member of said board of examiners, except in case of a vacancy in any office, when such vacancy may be filled forthwith. The secretary of said board shall keep a record of all its proceedings, issue all notices and certificates, and attest all such papers and orders as said board shall direct; and the secretary shall perform such other duties as shall be designated by said board.

SEC. 4. Said board shall have power to adopt rules and regulations for conducting examinations to be held under this act. Said examinations



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shall be held at least once a year in the city of Providence, and elsewhere in the discretion of said board. Such examinations shall be held upon the theory of accounts, practical accounting, auditing, commercial law as affecting accountancy, and such other subjects as said board may determine. Such board shall issue to each applicant passing a satisfactory examination a certificate entitling such person to practice in this state, as a certified public accountant, until such certificate shall be revoked as hereinafter provided in this act. Said board shall keep a register in which shall be entered the names of all the persons to whom certificates are issued under this act, and said register shall be open at all times to public inspection at the office of the secretary of said board.

SEC. 5. Said board shall charge for the examination and certificate provided for in this act a fee of twenty-five dollars, payable by said applicant at the time of filing his application. In case of the failure on part of any applicant to attend the examination at the date specified by said board or to pass a satisfactory examination, said applicant may, at the discretion of said board, appear at the next annual examination of said board for re-examination upon the payment of the further sum of fifteen dollars.

SEC. 6. The actual expenses of said board shall be paid out of the funds received from applicants for examinations: *Provided*, that in no event shall such expenses be a charge against the state. No member of said board shall receive any compensation for his services, but he shall be entitled to receive from the funds in the hands of said board his actual expenses incurred in the discharge of his duties under this act.

SEC. 7. Said board shall present annually to the general assembly in the month of January a detailed statement of the receipts and disbursements of said board during the preceding year, with a statement of its acts and proceedings, and such recommendation as said board may deem proper. Any moneys in the hands of the treasurer of said board at the time of making such report shall then be paid over to the general treasurer.

SEC. 8. Said board may, in its discretion, register the certificate of any certified public accountant who is the lawful holder of such certificate issued under the laws of any other state, territory, District of Columbia, or government, and may issue to such certified public accountant a certificate of registration, which certificate shall entitle the holder thereof to practice as such certified public accountant under the provisions of this act in this state: *Provided*, that such other state, territory, government or the District of Columbia extends similar privileges to certified public accountants of this state. Said board shall charge for such certificate of registration a fee of fifteen dollars.

SEC. 9. Said board, by a majority vote thereof, may, in its discretion, waive the examination of any person possessing the qualifications mentioned in this act who, for more than three years preceding the passage

of this act, shall have practiced in this state on his own account as a public accountant, and who shall apply in writing to said board for such certificate within six months after the passage of this act. Said board may charge for such certificate of registration a fee not exceeding fifteen dollars. Said board shall have power to revoke any certificate of registration, granted by it under this act, for gross incompetency, for unprofessional conduct, or for other cause sufficient in the judgment of said board: *Provided*, that before any certificate shall be so revoked the holder thereof shall have notice in writing of the charge or charges against him and shall have reasonable opportunity to be heard in his defense. Any person whose certificate has been so revoked may apply to have the same reissued, and the same shall be issued to him upon a satisfactory showing that such disqualification has ceased. Said board shall have power by its chairman to summon any person to appear as a witness and testify at any hearing by said board under the provisions of this act, and to examine and to administer oaths to such witnesses. Any person aggrieved by any decision or ruling of said board may, within thirty days, exclusive of Sundays and holidays, after receiving notice of said decision, appeal therefrom to the Superior Court sitting at Providence, and said Superior Court shall, as soon as may be, hear and determine said appeal, following the course of equity, and subject to all the rights of parties in such cases.

SEC. 10. Nothing in this act shall prohibit any person from serving as a student, clerk, or employee in the office of any certified public accountant: *Provided*, such student, clerk, or employee shall first file with the secretary of said board a statement in writing, showing the name and place of business of his employer, and the date of the beginning of such employment, and the full name, age, and residence, of such student, clerk, or employee. No such student, clerk, or employee, shall be authorized to certify accounts or to advertise or hold himself out to the public as a certified public accountant.

SEC. 11. Any person practicing the occupation of certified public accountant, or using the abbreviation "C. P. A.," or similar words or letters indicating that the person using the same is a certified public accountant, or representing himself to the public as having received the certificate provided in this act, without having received such certificate as provided in this act, or any person so representing himself as having received such certificate or practicing as aforesaid after his certificate has been revoked as provided in this act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding two hundred dollars for each offense, and upon a subsequent conviction shall be punished by a fine of not less than two hundred dollars nor more than five hundred dollars, or by imprisonment not exceeding six months, or both, in the discretion of the Court.

SEC. 12. This act shall take effect upon its passage.  
April 20, 1906.

## STATE OF UTAH.

### Chapter 86.

AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE EXAMINATION AND ISSUANCE OF CERTIFICATES TO QUALIFIED APPLICANTS, WITH THE DESIGNATION OF CERTIFIED PUBLIC ACCOUNTANT, AND TO PROVIDE THE GRADE OF PENALTY FOR VIOLATION OF THE PROVISIONS HEREOF.

*Be it enacted by the Legislature of the State of Utah:*

SECTION 1. *Board created.—Shall take oath of office.—Term.—Vacancies.*—Within sixty days after the passage of this act the governor shall appoint three persons, at least two of whom shall be competent and skilled public accountants, who shall have been in practice as such in this State for not less than three years, to constitute and serve as a State Board of Accountancy. The members of such board shall, within thirty days after their appointment, take and subscribe to the oath of office as prescribed by the laws of the State of Utah, and file the same with the Secretary of State. They shall hold office for four years and until their successors are appointed and qualified; save and except that one of the members of the board first to be appointed under this act shall hold office for two years, and two for four years. Upon the expiration of each of said terms, members sufficient to fill the board shall be appointed by the Governor, for the term of four years and until their successors are appointed and qualified; and after the year one thousand nine hundred and ten, the members of the board shall be appointed from the holders of certificates issued under this act. Any vacancy that may occur, from any cause, shall be filled by the Governor for the unexpired term.

SEC. 2. *Location of Office.—Duties of Board.*—The State Board of Accountancy shall have its office in the City and county of Salt Lake, and its powers and duties shall be as follows:

1. To formulate rules for the government of the board and for the examination of and granting of certificates of qualification to persons applying therefor;

2. To hold written examinations of applicants for such certificates, at least annually, at such places as circumstances and applications may warrant;

3. To grant certificates of qualification to such applicants as may,



upon the examination, be found qualified in "theory of accounts," "practical accounting," "auditing," and "commercial law," as affecting accountancy, to practice as certified public accountants;

4. To charge and collect from all applicants a fee, of twenty-five dollars, to meet the expenses of examination, issuance of certificates and conducting its office; provided that all such expenses, including not exceeding ten dollars per day for each member while attending a session of the board of conducting examinations, must be paid from the current receipts, and no portion shall ever be paid from the State Treasury.

5. To require the annual renewal of all such certificates, and to collect therefor a renewal fee of not exceeding five dollars;

6. To revoke for cause any such certificate, after written notice to the holder, and a hearing being had thereon;

7. To report annually to the Governor, on or before the first day of December, all such certificates issued or renewed, together with a detailed statement of receipts and disbursements; provided, that any balance remaining in excess of the expenses incurred may be retained by the board and used in defraying the expenses thereof;

8. The board may, in its discretion, under regulations provided by its rules, waive the examination of applicants possessing the qualifications mentioned in Section 3, who shall have been for more than two years prior to the passage of this act practicing in this State as public accountants on their own account, and who shall, in writing, apply for such certificate within one year thereafter.

SEC. 3. *Qualifications.—Certificate.*—Any citizen of the United States, or any person who has duly declared his intention of becoming such citizen, residing and doing business as a public accountant in this State, being over the age of twenty-one years and of good moral character, may apply to the State Board of Accountancy for examination under its rules, and if found qualified the board shall issue to him a certificate of qualification to practice as a certified accountant and upon the issuance and receipt of such certificate, and during the period of its existence, or of any renewal thereof, he shall be styled and known as a certified public accountant or expert of accounts, and no other person shall be permitted to assume the use of such title or to use any words, letters or figures to indicate that the person using the same is a certified public accountant.

SEC. 4. *Penalty.*—If any person shall represent himself to the public as having received a certificate as provided in this act, or shall assume to practice as a certified public accountant, or using the abbreviation "C. P. A." or any similar words or letters to indicate that the person using the same is a certified public accountant, without having received such C. P. A. certificate as provided in this act, or if any person having received any such certificate and having thereafter lost it by revocation

or by failure to renew the same, as herein provided, shall continue to practice as a certified public accountant, he shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined a sum not exceeding two hundred dollars (\$200) for each such offense.

SEC. 5. This act shall take effect upon approval.

Approved this 14th day of March, 1907.

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## STATE OF COLORADO.

### AN ACT TO CREATE A STATE BOARD OF ACCOUNTANCY AND TO REGULATE PUBLIC ACCOUNTANTS.

*Be it enacted by the General Assembly of the State of Colorado:*

SECTION 1. Within thirty days after the passage of this act, the Governor shall appoint three persons to constitute a State Board of Accountancy. The members of said Board shall be persons skilled in the knowledge and practice of accounting and actively engaged as professional accountants within the State of Colorado.

SEC. 2. The members of such board shall hold office for three years or until their successors are appointed and have qualified, except that of the members first appointed under this act, one shall hold office for one year, one for two years and one for three years. The term of office of each to be designated by the Governor in his appointment. Upon the expiration of each of said terms a member shall be appointed by the Governor for the term of three years, and after the thirty-first day of December, 1907, the members of said board shall be appointed from among the holders of certificates issued under this act.

SEC. 3. The board shall determine the qualifications of persons applying for certificates under this act, and make rules for the examination of applicants and the issue of certificates herein provided for.

SEC. 4. The board shall organize by the election of one of its members as president, one member as secretary and one member as treasurer; provided, however, that the office of secretary and treasurer may be held by one person.

SEC. 5. The treasurer shall give bond to the State in such sum as may be determined by the board.

SEC. 6. The board shall keep a complete record of all its proceedings, and shall annually submit a full report to the Governor.

SEC. 7. The board shall grant certificates of qualification to such

applicants as may, upon examination, be qualified in "theoretical" and "practical" accounting, "commercial law" as affecting accountancy, and in such other subjects as the board may deem advisable.

A majority of the board shall constitute a quorum, and the vote of two members shall be considered as the action of the board.

SEC. 8. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, over the age of twenty-one years, of good moral character, being a graduate of a high school or having had an equivalent education who has had at least three years' experience in the practice of accounting, and has passed a satisfactory examination as herein provided, shall be entitled to a certificate as public accountant, and shall be styled and known as a certified public accountant.

SEC. 9. The examinations shall be held as often as may be necessary in the opinion of the board, and at such times and places as it may designate, but not less frequently than once in each calendar year.

SEC. 10. The Board shall charge for each examination and certificate provided for in this act, a fee of twenty-five dollars (\$25). This fee shall be payable to the treasurer of the board by the applicant at the time of filing of application. In no case shall the examination fee be refunded, but said applicant may be re-examined within eighteen months from the date of his application without payment of an additional fee.

SEC. 11. The members of the board to be appointed under the provisions of this act shall be paid for the time actually expended in the pursuance of the duties imposed upon them by this act, an amount not exceeding ten dollars (\$10) per day, and they shall also be entitled to necessary traveling expenses.

SEC. 12. From the fees collected, the board shall pay all expenses incident to the examinations to be held under this act, the expenses of preparing and issuing certificates, the traveling expenses of examiners, and their compensation while performing their duties under this act, provided, that no expense incurred under this act shall be a charge against the state. Any surplus arising shall at the end of each year be deposited by the treasurer of the board, with the state treasurer to the credit of the general fund.

SEC. 13. Any person who files his application within six months after the organization of the board, and is at the time of filing said application a public accountant and has practiced as such for at least three years next preceding the date of his application, the last year of which has been in the State of Colorado, shall file with his application proof of said facts. The board shall consider said proofs and such other evidence as may be procured, and if it be satisfied that the statements contained in said application and proofs are true, and that the applicant is



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of good moral character, the board shall accept said proofs and evidence in lieu of an examination, and shall grant said applicant a certificate.

SEC. 14. Any citizen of the United States or person who has declared his intention of becoming such citizen, over twenty-one (21) years of age, of good moral character, and who has complied with the rules and regulations of the Board pertaining to such cases, and who holds a valid and unrevoked certificate as a certified public accountant, or the equivalent thereof, issued by or under the authority of any other State of the United States, or of the United States, or the District of Columbia, or any Territory of the United States, or by or under the authority of a foreign nation, when the board shall be satisfied that their standards and requirements for a certificate as a certified public accountant are substantially equivalent to those established by this act, may at the discretion of the board receive a certificate as a certified public accountant, and such person may thereafter practice as a certified public accountant and assume and use the name, title and style of "Certified Public Accountant" or any abbreviation or abbreviations thereof, in the State of Colorado, provided, however, that such other state or nation extends similar privileges to Certified Public Accountants of the State of Colorado.

SEC. 15. The board may revoke any certificate issued under this act for sufficient cause, provided that written notice shall have been mailed to the holder of such certificate at his last known address at least twenty days before any hearing thereof, stating the cause of such contemplated action, and appointing a time for a hearing thereon by the Board; and, provided further, that no certificate issued under this act shall be revoked until such hearing shall have been had. At all such hearings the attorney general of the state or one of his assistants designated by him shall sit with the board with all the powers and pay of a member thereof.

SEC. 16. If any person shall represent himself as having received a certificate as provided in this act, or shall practice as a certified public accountant, or use the abbreviation "C. P. A." or any similar words or letters to indicate that the person using the same is qualified to practice in this state as a certified public accountant, without having received such certificate as provided for by this act, or if any person having received a certificate as provided for in this act, and having thereafter lost such certificate by revocation as herein provided, shall practice as a certified public accountant, he shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not less than fifty dollars (\$50) and not exceeding two hundred dollars (\$200) for each offense.

SEC. 17. Nothing herein contained shall be construed to restrict or limit the power or authority of any state, county, or municipal officer or appointee engaged in or upon the examination of the accounts of any public officer, his employees or appointees.

SEC. 18. In the opinion of the General Assembly an emergency exists;

therefore, this act shall take effect and be in force from and after its passage.

R. G. BRECKENRIDGE,  
*Speaker of the House of Representatives.*

E. R. HARPER,  
*President of the Senate.*

HENRY A. BUCHTEL,  
*Governor of the State of Colorado.*

Approved March 27, 1907, at 3:33 p. m.

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## STATE OF CONNECTICUT.

Copy of an act of the legislature. Chapter 202, page 753, laws of 1907. Approved by Gov. Rollin S. Woodruff, July 11, 1907, creating Connecticut State Board of Accountancy.

*Be it enacted by the Senate and House of Representatives in General Assembly convened:*

SECTION 1. There is hereby established a state board of accountancy, to consist of three members. Within thirty days after the passage of this act the governor shall appoint as members of said board, two persons skilled in the practice of accounting and one attorney-at-law, one for a term ending January 1, 1908, one for a term ending January 1, 1909, and one for a term ending January 1, 1910, and thereafter as said terms of office respectively expire, and triennially thereafter, the governor shall appoint, from the holders of the certificate hereinafter provided for in this act, one member of said board to serve for a term of three years and until his successor is appointed and qualified. The governor shall have power to fill any vacancy occurring in the membership of said board, and may remove any member, for cause, after due notice and hearing. The members of said board, before entering upon the discharge of their duties, shall take an oath before some proper authority for the faithful performance of said duties.

SEC. 2. At the first meeting of said board, which shall be held at the capitol in Hartford, on the second Wednesday in August, 1907, and at the annual meeting, which shall be held on the second Wednesday in June in each year thereafter, the members shall elect from their number a president, a secretary, and a treasurer; the offices of secretary and treasurer may be held by the same person. Said board may adopt a seal, and may adopt such by-laws, rules, and regulations for the transaction of the business of the board and the government of its affairs, not inconsistent with the laws of this state and of the United States, as it may deem expedient and may amend, modify or repeal any such by-law, rule or regulation. Two members shall constitute a quorum for the transaction of business, and special meetings shall be called upon request of any two



members. The members of the board shall receive for their services ten dollars per day and their necessary expenses while engaged in the discharge of their official duties, such payments to be made by the treasurer of the board from the fees hereinafter provided. During the month of January of each year the treasurer shall file with the treasurer of the state an itemized account of the receipts and expenditures of the board, and shall pay to the state any unexpended balance in his hands not required for the proper transaction of the business of the board.

SEC. 3. At a meeting of said board, to be held on or before October 1, 1907, at the annual meeting hereinbefore provided, for and at such special meetings as the board shall deem necessary to hold for the purpose, public notice of which shall be given at least fifteen days prior to any such meeting in such manner as the board shall determine, said board shall examine all eligible applicants for a certificate as a certified public accountant. Every eligible applicant shall be examined in the theory of accounts, practical accounting, auditing, commercial law, and such other related subjects as the board shall deem necessary. Any person shall be eligible to take such examination who is a citizen of the United States, residing or having a place for the regular transaction of business in the State of Connecticut, who is over twenty-one years of age, of good moral character, and a graduate of a high school with a four years' course, or, in the discretion of the board, has had an equivalent education, who shall have been regularly employed as a bookkeeper for a period of not less than two years, and who shall have had such training and experience in the art of public accounting as the board, by its rules and regulations, shall prescribe. All applications for examination shall be in writing and upon such forms as the board shall provide, and shall be accompanied by a fee of twenty-five dollars, to be paid at the time the application is filed.

SEC. 4. Whenever any person shall have passed the examination herein prescribed the president of the board shall certify such fact to the governor, and the governor shall thereupon sign and issue to such successful applicant a certificate prepared by the board, in which the applicant shall be given the right to be known and designated as a certified public accountant, and to use said title in full or the initials "C. P. A." as said certificate shall prescribe.

SEC. 5. Any person holding a certificate as a certified public accountant granted under the laws of another state, and who has had at least five years' experience as a public accountant, and who has practiced in this state on his own account for one year or more, providing the state issuing such original certificate grants a similar privilege to the certified public accountants of this state, and any person twenty-one years of age or over, of good moral character, applying for a certificate as a certified public accountant within ninety days from and after the passage of this act, and who shall, by affidavit or otherwise, show to the satisfaction of



the board that he has had at least two years' instruction in the office of or by a reputable accountant in active practice in this state, and has been engaged in the practice of public accountancy in this state for at least one year, or has had such other experience as said board shall find to be equivalent thereto shall upon the payment to the board of a fee of ten dollars, and upon the recommendation of the board, receive from the governor the certificate as a certified public accountant provided for in this act, without an examination.

SEC. 6. Any person who shall advertise or issue any sign, card, or any other indication designating himself as a certified public accountant, or who shall assume the title of certified public accountant, or use the abbreviation "C. P. A." or any other words, letters or figures to indicate or represent that he is a certified public accountant, without having received a certificate in accordance with the provisions of this act, or who shall issue any such sign, card or other indication, or assume such title or abbreviation after any certificate authorizing such use by him has been revoked, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than five hundred dollars.

SEC. 7. This act shall take effect from its passage.

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## STATE OF GEORGIA.

### AN ACT TO ESTABLISH A BOARD FOR THE EXAMINATION OF ACCOUNTANTS AND TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO ACCOUNTANTS AND TO PROVIDE A PUNISHMENT FOR THE VIOLATION OF THIS ACT.

SECTION 1. Be it enacted, by the senate and house of representatives of the Commonwealth of Georgia in general assembly met, and it is hereby enacted by the authority of the same. That any citizen of the United States residing and having an office for the regular transaction of business in the State of Georgia, being over the age of twenty-one years, and of good moral character, and who will have received from the Governor of the State of Georgia a certificate of his qualification to practice as a public expert accountant as hereinafter provided, shall be designated and known as a certified public accountant, and no other person shall assume such title or use the abbreviation C. P. A. or any other words, letters, or figures to indicate that the person using the same is such certified public accountant. Every person holding such certificate and every co-partnership of accountants, every member of which shall hold such certificate may assume and use the title of certified public accountant or the abbreviation thereof C. P. A., provided that no other person or co-partnership shall use such title or abbreviation, or other words, letters,

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or figures, to indicate that the person or co-partnership using the same is such certified public accountant.

SEC. 2. The governor of the State of Georgia shall appoint a board of three examiners for the examination of persons applying for certification under this act. Two of said examiners shall be public accountants who shall have been in practice for at least five years, one of whom shall be appointed for the term of two years, and one for the term of three years, and upon the expiration of each of said terms an examiner shall be appointed for the term of three years and after the year one thousand nine hundred and eight, these two examiners shall be certified public accountants. The other examiner shall be a practicing attorney in good standing in any of the courts of the State of Georgia, who shall be appointed for the term of two years, and upon the expiration of said term, a successor shall be appointed for the term of three years. The examination for certificates shall be based upon an examination in theory of accounts, practical accounting, auditing, commercial arithmetic, and commercial law. Said examinations shall take place twice a year in the City of Atlanta, during the months of May and November of each year, under such rules and regulations as may be adopted by the board. The fees provided by this act shall be twenty-five dollars for each applicant, from which shall be paid the expenses incident to each examination, including stationery, clerk hire, and traveling expenses of the examining board. The results of such examinations shall be certified to the governor, and filed in the office of the secretary of state, and kept for reference and inspection for a period of not less than five years, and the governor to issue the certificate.

SEC. 3. The governor of the State of Georgia may revoke any such certificate for sufficient cause upon the recommendation of the board of examiners, who shall give written notice to the holder thereof, and after he has had a hearing thereon.

SEC. 4. The board of examiners may in its discretion waive the examination of any person who shall have been for the three years immediately preceding the passage of this act practicing in the State of Georgia or a sister state as a public accountant, who shall apply in writing for such certificate within three months after the passage of this act.

SEC. 5. If any person shall hold himself out as having received the certificate provided for in this act or shall assume to practice thereunder as a certified public accountant or use the initials C. P. A. without having received such certificate, or after the same shall have been revoked, he shall be deemed guilty of misdemeanor, and upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars nor less than two hundred dollars.

**STATE OF LOUISIANA.**

**Senate Bill No. 36.**

AN ACT TO REGULATE THE PRACTICE OF PUBLIC ACCOUNTING BY ESTABLISHING A STATE BOARD OF ACCOUNTANTS, FIXING ITS FEES AND EMOLUMENTS; TO PROHIBIT THE UNLAWFUL USE OF WORDS, LETTERS, OR OTHER MEANS OF IDENTIFICATION, BY UNAUTHORIZED PERSONS, AS CERTIFIED PUBLIC ACCOUNTANTS UNDER THIS ACT AND TO PROVIDE PENALTIES FOR THE VIOLATION OF ITS PROVISIONS.

SECTION 1. Be it enacted by the general assembly of the State of Louisiana, that any citizen of the United States, residing or having a place for the regular transaction of business in the State of Louisiana, being over the age of twenty-one years, of good moral character, and who shall have received from the Louisiana State Board of Accountants a certificate of his qualifications to practice as an expert public accountant, as hereinafter provided, shall be styled and known as a certified public accountant, and it shall be unlawful for any other person or persons to assume such title or use any letters, abbreviations or words to indicate that the one using same is a certified public accountant.

SEC. 2. Be it further enacted, etc., that within sixty (60) days after the passage of this act, the Governor of the State of Louisiana, shall appoint three persons who shall be skilled in the practice of accounting and actively engaged therein in this state, one for a term of two (2) years, one for a term of four (4) years, and one for a term of six (6) years; said members to establish and constitute the Louisiana State Board of Accountants. A member of said board shall be appointed bi-annually thereafter by the governor to serve a term of six years, or until such time as his successor has qualified. All vacancies created by death, resignation or otherwise, shall be filled by the governor for the unexpired term. The members of the Louisiana State Board of Accountants, the first board excepted, shall be appointed from the holders of certificates issued under and by virtue of this act. Within thirty (30) days after their appointment, the members of said board shall take an oath, before any person authorized to administer oaths in this state, to faithfully and impartially perform their duties, and same shall be filed with the secretary of state.

SEC. 3. Be it further enacted, etc., That the Louisiana State Board of Accountants is hereby authorized and empowered to adopt and enforce all necessary rules, regulations, by-laws, etc., to govern its proceedings, and to regulate the mode of conducting examinations, to be held under this act, provided said examinations shall be held at least once a year. The examinations shall cover a knowledge of the "Theory of Accounts," "Practical Accounting," "Auditing," "Commercial Law as Affecting



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Accountancy," and such other branches of knowledge as the board may deem necessary to maintain the highest standard of proficiency in the profession of public accounting. The Board shall have power to issue certificates under their official seal and signatures as provided by this act.

SEC. 4. Be it further enacted, etc., That the Louisiana State Board of Accountants shall be authorized to charge each applicant for a certificate a fee not to exceed twenty-five dollars (\$25), same to be paid when the application is filed, except that the fee for each application filed within ninety (90) days after the passage of this act, shall not exceed ten dollars (\$10). Out of the funds collected under this act shall be paid the expenses of the Louisiana State Board of Accountants, including mileage, and an amount not exceeding fifteen dollars (\$15) per day, for the time expended in conducting examinations and issuing certificates, provided, no expenses incurred by said Board shall ever be charged to the funds of the state.

SEC. 5. Be it further enacted, etc., That the Louisiana State Board of Accountants, may in its discretion, register the certificates of any certified public accountant, who is the lawful holder of a certified public accountant's certificate issued under the law of another state, and may issue to such certified public accountant a certificate which shall entitle the holder to practice as such certified public accountant, and to use the abbreviation "C. P. A." in this state, provided, that the state issuing the original certificate grants similar privileges to the certified public accountants of this state. The fee for such registration shall not exceed twenty-five dollars (\$25).

SEC. 6. Be it further enacted, etc., That the Louisiana State Board of Accountants shall waive the examination of any person possessing the qualifications mentioned in Section 1 of this act; who, first, for not less than five years has been actively employed as an accountant or book-keeper, and shall apply in writing to the board for such certificate, provided, that said application be accompanied by an affidavit before any notary public or justice of the peace, giving the name or names of the firms or corporations by whom he has been employed for the past five years, and provided said application be filed within ninety (90) days after the passage of this act, or who, second, for more than three consecutive years before the passage of this act shall have been practicing in this state, on his own account, as a public accountant, and who shall apply in writing to the board for such certificate within ninety (90) days after the passage of this act.

SEC. 7. Be it further enacted, etc., That the Louisiana State Board of Accountants may revoke any certificate issued under this act, or may cancel the registration of any certificate registered under this act, for the unprofessional conduct of the holder of such certificate, or for other cause, provided, that written notice shall have been mailed to the holder

of such certificate twenty (20) days before any hearing thereon, stating the cause for such contemplated action and appointing a day for full hearing thereon by the Louisiana State Board of Accountants, and provided further, that no certificates issued under this act shall be revoked until such hearing shall have been held.

SEC. 8. Be it further enacted, etc., That if any person shall represent himself to the public as having a certificate as provided in this act, or shall assume to practice as a certified public accountant, or use the abbreviation "C. P. A." or any similar words or letters to indicate that the person using the same is a certified public accountant, without having received a registration certificate, as provided in this act, or if any person having received a certificate as provided in this act, and having thereafter lost such certificate by revocation, as provided in Section 7, shall continue to practice as a certified public accountant, he shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not less than one hundred dollars (\$100) or sentenced to serve three (3) months in jail for each offense.

SEC. 9. Be it further enacted, etc., That all laws or parts of laws in conflict with the same are hereby repealed.

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## STATE OF OHIO.

**Approved by the Governor, May 9th, 1908.**

AN ACT TO ESTABLISH AN OHIO STATE BOARD OF ACCOUNTANCY FOR THE REGULATION OF THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTANCY.

*Be it enacted by the general assembly of the State of Ohio:*

SECTION 1. That any citizen of the United States or person who has duly declared his intention of becoming such citizen, being over the age of twenty-one years, of good moral character, a graduate of a high school, or having received an equivalent education, who has at least three years' experience in the practice of accounting, and who shall have received from the state board of accountancy, as hereinafter provided, a certificate of his qualifications to practice as a public expert accountant, shall be styled and known as a certified public accountant, and no other person or persons shall assume such title or use the abbreviation "C. P. A." or any other word or letters to indicate that the person using the same is a certified public accountant.

SEC. 2. On or before the first day of July, one thousand nine hundred and eight, the governor shall appoint three persons, not more than two of whom shall belong to the same political party, to constitute and serve as a state board of accountancy. The members of such board shall be

## *C. P. A. Laws*

persons skilled in the knowledge and practice of accounting and actively engaged as professional public accountants, within the State of Ohio. One member of such board shall be appointed for one year, one member for two years, and one member for three years, and upon the expiration of their respective terms their successors shall be appointed for a term of three years. In case of a vacancy, caused by resignation or otherwise the governor shall fill such vacancy by appointment for the unexpired term. Immediately upon the appointment the Board shall organize by choosing one of its number as president and one as a secretary, and treasurer. The secretary and treasurer shall give bond in such sum as the board may determine. The board shall keep a complete record of all its proceedings.

SEC. 3. An examination in "Theory of Accounts," "Practical Accounting," "Auditing," and "Commercial Law as Affecting Accountancy," for applicants for such certificates, shall be held annually, but, if not less than five months after the annual examination, three or more persons apply to the board for certificates, the board shall hold an examination for such applicants. The time and place of each examination shall be fixed by the board.

SEC. 4. The board shall charge for the examination and certificate provided for in this act, a fee of twenty-five dollars. Such fee shall be paid to the treasurer of the board at the time of filing the application. In no case shall the examination fee be refunded, but an applicant may be re-examined within eighteen months from the date of his application without the payment of an additional fee. From the fees collected as herein provided, the Board shall pay all expenses incident to such examinations, the expenses of preparing and issuing certificates, and to each member of the board, for the time actually expended in performing his duties, a sum not exceeding five dollars per day, and his necessary traveling expenses. But in no case shall the expenses incurred by the board or the compensation or traveling expense of the members thereof, be a charge against any fund of the state.

SEC. 5. Any person who files his application within six months after the organization of the board, and is at the time of filing such application a public accountant, and has practiced the profession of Public Accounting for at least three years, shall file with his application proof of such facts and proof that his general and special education is at least equal to the standard prescribed by this act. If the board shall be satisfied that the statements contained in such application and proofs are true and that the applicant possesses the general and special education required by the standard herein prescribed, it shall issue to the applicant a certificate as a certified public accountant without further examination.

SEC. 6. Any person who is a citizen of the United States or has declared his intention of becoming such citizen, over twenty-one (21) years



of age, of good moral character, and who has complied with the rules and regulations of the Board and who holds a valid and unrevoked certificate of another state, or of the United States, or of the District of Columbia, or any territory of the United States, or by or under the authority of a foreign nation, when the board shall be satisfied that their standards and requirements for a certificate as a certified public accountant are substantially equivalent to those established by this act, shall receive from the board a certificate as a "Certified Public Accountant," and such person may thereafter practice as a "Certified Public Accountant," and assume and use the name, title, and style of certified public accountant, or any abbreviation or abbreviations thereof, in the State of Ohio.

SEC. 7. The State Board of Accountancy may revoke any certificate issued under this act for sufficient cause, provided, that written notice shall have been mailed to the holder of such certificate at his last known address at least twenty days before any hearing thereon, stating the cause of such contemplated action, and appointing a time for a hearing thereon by the board and provided, further, that no certificate issued under this act shall be revoked until such hearing shall have been held.

SEC. 8. If any person shall represent himself as having received a certificate as provided in this act, or shall practice as a certified public accountant or use the abbreviations "C. P. A." or any other similar words or letters to indicate that the person using the same is qualified to practice in this state as a certified public accountant without having received such certificate as provided for by this act, or if any person having received a certificate as provided in this act, and having thereafter lost such certificate by revocation as herein provided, shall continue to practice as a public accountant, he shall be fined not less than ten dollars (\$10.00) and not exceeding one hundred dollars (\$100.00) for each offense.

SEC. 9. Nothing herein contained shall be construed so as to prevent any person from being employed as a public accountant within this state.

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## **MASSACHUSETTS REGISTRATION ACT.**

### **(Chapter 399, Acts of 1909).**

#### **AN ACT TO PROVIDE FOR THE REGISTRATION OF PUBLIC ACCOUNTANTS.**

*Be it Enacted, Etc., as Follows:*

SECTION 1. The bank commissioner shall have charge of the registration of public accountants, shall make such rules as are necessary to carry out the provisions of this act, and shall keep a record of all cer-

## *C. P. A. Laws*

tificates issued hereunder, a duplicate of which shall be open to inspection in the office of the secretary of the commonwealth.

SEC. 2. The said commissioner shall examine any citizen of the United States, resident in the commonwealth, and not less than twenty-one years of age, who may apply for such a certificate, shall investigate his character and fitness and shall require the payment of such a reasonable and fixed fee, not exceeding twenty-five dollars for each certificate, as may be necessary in his opinion to carry out the provisions of this act.

SEC. 3. Any applicant whom said commissioner deems to have the necessary qualifications and professional ability shall be registered as a public accountant, and shall receive a certificate thereof, good for one year from its date. Said certificate may be renewed from year to year upon the payment of five dollars for each renewal. Said commissioner shall have power, after notice and a hearing, to suspend or revoke for good cause any certificate issued by him.

SEC. 4. Any person who falsely represents himself to be a public accountant, registered under the provisions of this act, shall be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding five hundred dollars, or by imprisonment for a term not exceeding six months, or by both such fine and imprisonment.

SEC. 5. This act shall take effect on the first day of October in the year nineteen hundred and nine.

(Approved May 17, 1909.)

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### **AN ACT CREATING.**

#### **The Minnesota State Board of Accountancy.**

**(Chapter 439—S. F. No. 472).**

**AN ACT CREATING A STATE BOARD OF ACCOUNTANCY, PRESCRIBING ITS POWERS AND DUTIES, PROVIDING FOR EXAMINATIONS AND ISSUING OF CERTIFICATES TO QUALIFIED PUBLIC ACCOUNTANTS, AND PROVIDING PENALTIES FOR VIOLATIONS OF THE PROVISIONS OF THIS ACT.**

*Be it Enacted by the Legislature of the State of Minnesota:*

**STATE BOARD OF ACCOUNTANCY—TO BE APPOINTED BY THE GOVERNOR.**

SECTION 1. That a board of examiners, to be known as the State Board of Accountancy, is hereby created to carry out the purposes and enforce the provisions of this act. Said board shall consist of three citizens of this state to be appointed by the governor and who, with the

exception of the members first to be appointed, shall be the holders of certificates issued under the provisions of this act and shall hold office for the term of three years and until their successors are appointed and qualified.

The first members of said board shall be skilled in the practice of accounting and shall for a period of three years next preceding their appointment have been actively engaged therein, in this state, on their own account, and shall hold office, one for the term of three years from the date of his appointment, one for the term of two years, and one for the term of one year. The term of office of each is to be designated by the governor in his appointment, and upon expiration of each term of its members the governor shall appoint one member of said board as herein provided for a term of three years.

#### ORGANIZATION AND DUTIES.

SEC. 2. The persons appointed as members of this board shall meet and organize within thirty (30) days after their appointment. A majority of said board shall constitute a quorum. They shall appoint one of their number as a chairman, another as a secretary, and another as treasurer, or may appoint one member to serve as both secretary and treasurer, and said officers shall hold their respective offices for a term of one year and until their successors are elected. In the absence of the chairman or secretary, the board may appoint a chairman pro tem., or a temporary secretary. The affirmative vote of two members of said board shall be considered as the action of said board.

Said board shall enforce the standard of special education in the science and art of accounting; the standard of moral character and general public experience as prescribed in this act in all examinations conducted hereunder.

The board shall make rules and regulations for the conduct of applicants' examinations and the character of such examinations and scope, the method and time of filing applications for examinations and their form and contents and all other rules and regulations proper to carry into effect the purposes of this act.

All such examinations shall be conducted by said State Board of Accountancy. The time and place of holding examinations shall be advertised for not less than three (3) consecutive days in one daily newspaper, published in each of the counties where the examinations are to be held, and not less than twenty (20) days prior to the date of each examination. The examinations shall take place as often as may be convenient in the opinion of the board, but not less than once in each year. Said board shall keep records of their proceedings, an accurate list of all applications made, certificates issued, certificates registered and certificates revoked, and shall keep proper financial records in which there shall be entered a complete statement of the cash receipts and disbursements of said board.

Said board shall adopt and provide itself with a seal with a band



## *C. P. A. Laws*

inscribed, "Certified Public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, and said seal shall be affixed to each certificate issued or registered under this act.

All records of said board shall be open to the inspection of the public at the office of the secretary of the board.

Said board shall report annually to the governor in the month of December, as follows:

- (a) Its receipts and disbursements.
- (b) Names of persons to whom certificates have been issued.
- (c) Names of all persons whose certificates have been revoked.
- (d) Recommendations, if any, for new legislation, and such other matters as the board may deem proper.

### CERTIFICATE TO BE GRANTED—TO WHOM.

SEC. 3. No certificate for a certified public accountant shall be granted to any person other than a citizen of the United States, or person who has, in good faith, duly declared his intention of becoming such citizen, and is over the age of twenty-one (21) years and of good, moral character, and (except under the provisions of Section 4 of this act) who shall have successfully passed an examination in "accounting," "auditing," and "commercial law" affecting accountancy, and on such other subjects as the board may deem advisable.

No person shall be permitted to take such examination unless he shall for a period of at least three (3) years have been employed in the office of a "public accountant" as an assistant or shall have been practicing as a public accountant on his own account and who shall not at least three (3) years prior to the date of said examination have successfully passed an examination in such subjects as may be prescribed by the board, touching his general education, qualifications and fitness for an accountant; provided, that said board may, in its discretion, waive the preliminary examination of an applicant who, in its opinion, has had a general education equivalent to that which may be prescribed by its rules and is otherwise qualified.

### BOARD MAY WAIVE EXAMINATION.

SEC. 4. Said State Board of Accountancy may, in its discretion, waive the examination of, and may issue a certificate for, certified public accountant, to any person possessing the qualifications mentioned in Section 3 of this act, who

- (1) Is the holder of a C. P. A. certificate, issued under the laws of another state which extends similar privileges to certified public accountants of this state, provided the requirements for said degree in the state which has granted it to the applicant are, in the opinion of the State Board of Accountancy, equivalent to those herein provided; or who
- (2) Shall be the holder of a degree of certified public accountant

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or chartered accountant, or the equivalent thereof, issued in any foreign government, provided that the requirements for such degree are equivalent to those herein provided for the degree of certified public accountant; or who,

- (3) For more than three (3) consecutive years next preceding the passage of this act shall have been practicing in this state on his own account as a public accountant, and who shall apply in writing to the board for such certificate within six months after the passage of this act.

### QUALIFICATION.

SEC. 5. Any person who has received from said State Board of Accountancy a certificate of his qualifications to practice as a public accountant as herein provided shall be known and styled a "certified public accountant," and no other person, and no partnership, all of its members who have not received such certificate, and no corporation, shall assume such title or the title of "certified accountant," or the abbreviation, "C. P. A.," or any other words, letters or abbreviations tending to indicate that the person, firm or corporation so using the same is a certified public accountant.

### FEE FOR EXAMINATION AND CERTIFICATE.

SEC. 6. Said State Board of Accountancy shall charge for each examination and certificate provided for in this act, a fee of twenty-five (\$25.00) dollars to meet the expenses of such examination. This fee shall be payable by the applicant at the time of making his initial application, and shall not be refunded and no additional charge shall be made for the issuance of a certificate to any applicant.

From the fees collected under this act, the board shall pay all expenses incident to the examinations, hearings and expense of issuing certificates, traveling expenses of the members of the board while performing their duties under this act; provided, that no expense incurred under this act shall be a charge against the funds of this state.

The members of said State Board of Accountancy shall be paid all necessary expenses incurred in the performance of the duties under this act.

### REVOCATION OF CERTIFICATE.

SEC. 7. Said State Board of Accountancy may revoke any certificate issued under this act or may cancel the registration of any certificate issued under this act for bad moral character, dishonesty, conviction of crime, incompetency or unprofessional conduct; provided, a written notice shall have been mailed to the holder of such certificate at least twenty (20) days before any hearing thereon, stating the cause for such contemplated action and appointing a time and place for a hearing thereon by the State Board of Accountancy, and further provided, that no certificate issued under this act shall be revoked until an opportunity for such hearing shall have been afforded.

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At all such hearings, the attorney-general of this state, or one of his assistants designated by him shall attend.

Certificates issued or registered under this act shall be surrendered to the State Board of Accountancy on their revocation by said board.

SEC. 8. Any violation shall be a "gross misdemeanor."

SEC. 9. This act shall take effect and be in force from and after its passage.

Approved April 22, 1909.

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**MISSOURI C. P. A. LAW.**

**(Engrossed)**

**Senate Bill No. 112.**

**45th General Assembly.**

**Introduced by Senator Humphrey (By Request).**

Read first time February 4, 1909, and 300 copies ordered printed.

Read second time February 10, 1909, and referred to the Committee on Criminal Jurisprudence.

Reported from the Committee on Criminal Jurisprudence February 25, 1909, with recommendation that the bill do pass.

Taken up March 1, 1909, and ordered engrossed and printed.

R. S. McCLINTIC, Secretary.

AN ACT REGULATING THE PRACTICE OF PUBLIC ACCOUNTING; CREATING A BOARD OF ACCOUNTANCY; PROVIDING FOR THE GRANTING OF CERTIFICATES AND THE REGISTRATION OF CERTIFIED PUBLIC ACCOUNTANTS; PROVIDING FOR EXAMINATIONS, THE SUSPENSION OR REVOCATIONS OF CERTIFICATES ISSUED BY THE BOARD; PRESCRIBING THE QUALIFICATIONS OF PERSONS ENTITLED TO CERTIFICATES AS CERTIFIED PUBLIC ACCOUNTANTS, CREATING (DEFINING) MISDEMEANORS FOR A VIOLATION OF THE PROVISIONS HEREOF, AND PRESCRIBING THE PUNISHMENT (PENALTY) THEREFOR.

*Be It Enacted by the General Assembly of the State of Missouri, as Follows:*

SECTION 1. Any citizen of the United States, or person who has declared his intention of becoming such, having a place for the regular transaction of business as a professional accountant in the State of Mis-



souri, and who, as in this act required, shall have received from the secretary of state for the State of Missouri a certificate of his qualifications to practice as a public accountant, as hereinafter provided, shall have the authority to style himself and be known as a certified public accountant and to use the abbreviated title C. P. A. for and during the term mentioned in his certificate.

SEC. 2. The governor shall, within thirty days after the taking effect of this act, appoint five persons, who shall constitute the board of accountancy, each member of which shall have been engaged in the reputable practice as a public accountant for a continuous period of three years immediately preceding the passage of this act, one of which shall have been in the State of Missouri. The persons first appointed shall hold office for one, two, three, four and five years, respectively. Upon the expiration of each of said terms, a member, who shall be a holder of a certificate issued under this act, shall be appointed for a term of five years.

SEC. 3. The board of accountancy, the majority of which shall in all cases have the powers of the board, shall determine the qualifications of persons applying for certificates under this act, and shall make rules for the examination of same, which shall embody the following:

- (a) Examinations shall be held by the board at least once in each year, at such times and places as may be determined by them. The time and place of holding such examinations shall be advertised for not less than three consecutive days, not less than thirty days prior to the date of each examination, in at least two daily newspapers printed and published in this state. The examination shall be in "theory of accounts," "practical accounting," "auditing" and "commercial law as affecting accountancy."
- (b) Applicants for certificates, before taking the examination must produce evidence satisfactory to the board that they are over twenty-five years of age, of good moral character, a graduate of a high school with a four years' course, or have an equivalent education, or pass an examination to be set by the board, and that they have had at least three years' practical accounting experience.
- (c) After the examination provided by this act the board shall, if in its judgment the applicants be entitled thereto, certify to the secretary of state the name and address of each person to be registered and to whom certificates of registration are to be issued. It shall thereupon be the duty of the secretary of state to register such persons as certified public accountants, and to issue to them certificates of registration. The secretary of state shall be entitled to re-

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ceive \$2.50 for each registration and certificate issued, to be paid out of the funds accumulated by this act.

- (d) In the event the board shall waive the examination of any person of competent age, as in this act provided, the name of such person shall likewise be certified to the secretary of state, who shall likewise register such person and issue such certificate upon payment of the fees required hereunder.

- (e) All applications must be filed with the board of accountancy and be accompanied by the following fees:

For examination or recommendation for waiver of same, as provided in Section 4.....\$25.00

For registration under Section 5..... 25.00

For issuance of certificate ..... 10.00

Provided, however, that in the event any candidate fails to pass the required examination, he shall be entitled to take a second examination, within one year after the date of the examination at which he failed to pass, without paying a second fee.

- (f) From fees collected the board shall pay all expenses incident under this act: Provided, that no expense incurred shall be a charge against the funds of the state, and that the remuneration of each examiner shall not exceed the sum of five dollars per day while engaged in their duties as such, exclusive of the necessary traveling and other expenses, to which they shall also be entitled. Provided, however, that all moneys received in excess of the fees and expenses herein provided for shall be held by the treasurer of said board as a special fund for other like expenses of said board in carrying out the provisions of this act, but said treasurer shall file a report with the governor at the close of each calendar year showing the amount of moneys received during said year, the amount expended, and for what purpose and also the total balance remaining in his hands, which report shall be subscribed and sworn to by said treasurer.

- (g) The board shall annually elect from its number a president, secretary and treasurer, and all certificates required to be executed for and on behalf of the board shall be certified over the signatures of the president and secretary.

SEC. 4. The board may, in their discretion, waive the examination of any person of competent age, of good moral character, and who has been engaged in reputable practice as a public accountant for a continuous period of three years, one of which shall have been in the State of Mis-

souri immediately preceding the passage of this act, or who has been employed as an accountant by reputable firms of accountants for a continuous period of five years immediately preceding the passage of this act, one of which shall have been in the State of Missouri, and who shall apply in writing to the board for such certificate within six months after the taking effect of this act.

SEC. 5. The board may, in their discretion, issue a certificate to the secretary of state to the effect that any person who is the lawful holder of a certified public accountant's certificate issued under the law of another state which provided for similar registration, and which established a standard of qualification as high as that required under this act, and upon the reception of such certificate, the secretary of state shall issue to such person a certificate of registration, which shall entitle the holder to practice as such certified public accountant, and to use the abbreviation C. P. A. in this state.

SEC. 6. The board may revoke or cancel the registration of any certificate issued under this act for unprofessional conduct of the holder or other sufficient cause. Provided, that written notice shall have been mailed to the holder of such certificate at least twenty days before any hearing thereon, stating the cause of such contemplated action and appointing a day for full hearing thereon by the board; and provided further, that no certificate issued under this act shall be revoked until such hearing shall have been held or the opportunity for such afforded the person charged. In the event of the revocation, cancellation or suspension of any such certificate, the board shall notify the secretary of state of its action in the premises, and the secretary of state shall note such order of the board upon the records kept in his office.

SEC. 7. If any person represents himself to the public as having received a certificate as provided in this act, or shall assume to practice as a certified public accountant, or use the abbreviation C. P. A., or any similar words or letters to indicate that the person using the same is a certified public accountant, without having received such certified public accountant certificate, or without having received a registration certificate, as provided in this act; or any person having received a certificate as provided in this act, and having thereafter been deprived of such certificate by revocation, as herein provided, shall continue to practice and hold himself out as a certified public accountant, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined a sum of not less than fifty dollars nor more than five hundred dollars for each offense, and each day such person shall so offend shall be deemed a separate offense. Nothing in this act shall be construed to prohibit any person from practicing as a public or expert accountant in this state, but said act shall apply to such persons as practice and hold themselves out to be certified public accountants.

SEC. 8. If any person practicing in the State of Missouri as a certified



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public accountant, under this act, or who is in the practice of public accountancy as a certified public accountant, or otherwise, shall wilfully falsify any report or statement bearing on any examination, investigation or audit made by him, or under his direction, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than one hundred dollars, nor more than one thousand dollars or shall be imprisoned in the county or city jail for a term not less than three months, nor more than one year, or both such fine and imprisonment for each time he may so falsify such reports.

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### STATE OF MONTANA.

#### Chapter 39 of the Session Laws of 1909.

#### AN ACT TO REGULATE THE PRACTICE OF THE PROFESSION OF PUBLIC ACCOUNTING.

*Be it enacted by the Legislative Assembly of the State of Montana:*

SECTION 1. That any person having been granted by the University of Montana (a corporation organized and existing under the laws of this State and hereinafter referred to as the "University") a certificate of his competency to practice as a Public Expert Accountant shall be known as, and styled, a "Certified Public Accountant" and shall be authorized to use the initials "C. P. A." after his name; and no person who has not received such certificate, nor any partnership all the members of which have not received such certificates, and no corporation shall assume such title or the title "Certified Accountant" or "Chartered Accountant" or the letters "C. P. A." or "C. A." or any other words or letters or abbreviations tending to, or intended to, indicate that the persons, firm or corporation using them is a Certified Public Accountant within the meaning of this Act.

SEC. 2. The University shall, through a Board of Examiners by it appointed, determine the qualifications of all applicants for a certificate under this Act. The Board of Examiners shall consist of three persons skilled in the knowledge, theory and practice of accounting in all its branches and in commercial law as affecting accountancy, each one of whom shall be the holder of the degree of "Certified Public Accountant" granted to him under this Act or be entitled to receive the degree without examination in accordance with the purport and intent of clause (3) of Section 4 of this Act. The Examiners shall hold office for the period of three years and until their successors are appointed and qualified; except that of the three Examiners first appointed under this Act, one shall hold office for one year and one for two years.

SEC. 3. A certificate as a "Certified Public Accountant" shall be

granted to any person, a citizen of the United States or having in good faith and in the manner required by law declared his intention of so becoming, of the age of twenty-one years, of good moral character, a graduate of an accredited High School or having an equivalent education, and (except under the provisions of Section 4 of this Act) who shall have been certified to the University by the said Board of Examiners as having successfully passed. (a) a written examination in "Theory of Accounts," "Practical Accounting," "Auditing," "Commercial Law as Affecting Accountancy" and such other subjects as the University may designate, and (b) an oral examination of sufficient scope, thoroughness and severity to test and to determine the fitness of the examinee to practice as a professional accountant. Any person shall be eligible to and permitted to take such examination who has had three years' practical experience in accounting acquired (a) practicing on his own account, or (b) in the office of a public accountant, or (c) in a responsible accounting position in the employ of a business corporation, firm or individual. All such examinations shall be conducted by the Board of Examiners herein provided for, and not less than thirty days prior to the date of each examination the time and place of holding it shall be noticeably advertised for not less than three consecutive days in three representative daily newspapers published in the State. The examinations shall take place as often as, in the opinion of the University, may be necessary, but not less frequently than one each year. The University shall make all needful rules and regulations regarding the conduct, character and scope of the examinations, the method and time of filing, and the form and contents of applications therefor and all other rules and regulations necessary to carry into effect the purposes of this Act.

SEC. 4. Upon the recommendation of the Board of Examiners the University may in its discretion waive the examination of, and issue the degree of Certified Public Accountant to, any person, a citizen of the United States or having in good faith and in the manner required by law declared his intention of so becoming, a resident of the State of Montana or maintaining a regular place of business therein, who is, (1) the holder of a C. P. A. certificate issued under the laws of another State which extends like privileges to Certified Public Accountants of this State; provided the requirements for said degree in said other State are, in the opinion of the Board of Examiners, equivalent to those herein stipulated, or (2) the holder of the degree of "Certified Public Accountant" or "Chartered Accountant" or the equivalent thereof issued in any foreign government; provided that the requirements, for said degree in said foreign government are, in the opinion of the Board of Examiners, equivalent to those herein stipulated, or (3) of the age of twenty-five years, of good moral character, a graduate of an accredited High School or having an equivalent education, who has had at least three years' experience in the practice of public accounting in this State and whose qualifications are in every respect equal to those assumed and

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implied by the successful passing of the examinations stipulated in Section 3 of this Act and who is personally known to the Board of Examiners to be so qualified as a competent and skilled accountant in theory and in practice and who shall apply in writing to the University for said certificate within one hundred and eighty days after the passage of this Act.

SEC. 5. The University may for unprofessional conduct or for other sufficient cause revoke, or cancel the registration of, any certificate issued under this Act; provided that written notice of the cause for such contemplated action and the date of the hearing thereon by the University shall have been mailed to the holder of such certificate at least thirty days before said hearing and no certificate issued under this Act shall be revoked until said hearing shall have been held.

SEC. 6. Each candidate for the examinations provided for in this Act and each applicant for a certificate under Section 4 of this Act shall pay in advance to the University a fee of Twenty-five Dollars (\$25.00) to defray the expenses of such examinations; except that any candidate failing to pass the required examination shall be entitled to take a second examination without further fee. The Examiners appointed under the provisions of this Act shall be reimbursed for all legitimate traveling and hotel charges expended in the performance of their duties as such, but shall not receive any compensation for their time likewise expended. From the fees collected under this Act the University shall pay all the expenses of, and incident to the examinations, the expenses of issuing certificates and the traveling and hotel expenses of the Examiners while performing their duties under this Act, and at the close of each calendar year any surplus remaining after the payment of the year's expenses, shall become the property of the University and in no event shall any expense incurred under this Act be a charge against the funds of the University nor of the State.

SEC. 7. If any person shall falsely represent himself to the public as having the certificate provided for in this Act, or shall assume to practice as a Certified Public Accountant without having received such certificate, or having received such certificate shall thereafter lose it by revocation and shall continue to practice as a Certified Public Accountant, or shall without warrant of law use such title or any other title mentioned in Section 1 of this Act, or if any person shall violate any of the provisions of this Act, he shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not less than One Hundred Dollars (\$100.00) nor more than Five Hundred Dollars (\$500.00), or imprisoned in the County Jail for a period of not less than one month nor more than six months, or both, in the discretion of the Court, for each day during which he shall so unlawfully practice or violate any of the provisions of this Act.



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SEC. 8. This Act shall take effect from and after its passage and approval by the Governor.

W. W. McDOWELL,  
*Speaker of House.*

W. R. ALLEN,  
*President of Senate.*

Approved February 27th, 1909.

EDWIN L. NORRIS,  
*Governor.*

Filed February 27th, 1909, at 3:25 o'clock P. M.

A. N. YODER,  
*Secretary of State.*

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### NEBRASKA C. P. A. LAW.

*Be it Enacted by the Legislature of the State of Nebraska:*

SECTION 1. Any citizen of the United States, or person who has duly declared his intention of becoming such citizen, residing or having a place for the regular transaction of business in the State of Nebraska, being over the age of twenty-one years and of good, moral character, and who shall have received from the governor of the State of Nebraska a certificate of his qualification to practice as a public expert accountant, as hereinafter provided, shall be styled and known as a certified public accountant; and no other person shall assume such title, or use the abbreviation "C. P. A." or any other words, letters or figures to indicate that the person using the same is such certified public accountant.

SEC. 2. The board of examiners for the examination of persons applying for certificates under this act shall consist of three members, one of whom shall be the auditor of public accounts and two shall be certified public accountants of the State of Nebraska to be appointed by the governor upon the approval of this act. One of said examiners shall be appointed for the term of one year and one for the term of two years, and upon the expiration of said terms a successor shall be appointed annually for the term of two years.

SEC. 3. Examinations of persons applying for certificates under this act shall be held at least once a year, at such time and place as may be determined by the board and the subject of examination shall be the regular questions as furnished by the National Association of Certified Public Accountants. The results of such examination shall be certified to the governor, and to all persons who may have passed the examination satisfactory to said board of examiners, and by it recommended, the governor shall issue the certificate mentioned in the first section of this act.

SEC. 4. The board of examiners shall charge for examination and

### *C. P. A. Laws*

certificate such fee as may be necessary to meet actual expenses of such examination and issuing of such certificate, and shall report annually the receipts and expenses under the provisions of this act to the governor, and the surplus, if any, of receipts over expenses shall be paid into the state treasury. The governor may revoke any certificate issued under the provisions of this act for a sufficient cause; provided written notice shall have been given to the holder thereof, and after he has had an opportunity for a hearing thereon.

SEC. 5. Upon the passage of this act the members, in good standing, of the Nebraska State Association of Public Accountants shall be recognized as certified public accountants and receive certificates as provided for in Section 1 of this act, and said association shall thereupon be authorized to change the title of their organization accordingly.

SEC. 6. Any person who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court having criminal jurisdiction shall be fined not less than fifty dollars nor more than two hundred dollars, or be confined not more than six months in the county jail for each offense.

Approved April 3, 1909.

ASHTON C. SHOLLENBERGER, Governor.

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### **VIRGINIA C. P. A. LAW.**

CHAPTER 158.—AN ACT TO ESTABLISH A STATE BOARD OF ACCOUNTANCY AND PRESCRIBE ITS DUTIES AND POWERS; TO PROVIDE FOR THE GRANTING OF CERTIFICATES TO ACCOUNTANTS WHO QUALIFY UNDER THE PROVISIONS OF THIS ACT, AND TO PROVIDE A PENALTY FOR VIOLATION OF THIS ACT.

Approved March 14, 1910.

1. Be it enacted by the General Assembly of Virginia, That there is hereby established a State Board of Accountancy, to consist of five members, to be appointed by the Governor; one member shall be a practicing attorney in good standing in any of the courts of this State, and he shall hold office for the term of three years and until his successor is appointed and qualified; one member shall be an educator, and he shall hold office for the term of three years and until his successor is appointed and qualified; the other three members shall be practicing public accountants who have been actively engaged in such practice on their own account for at least three years next preceding such appointment; and they shall hold office, one for the term of three years, one for the term of two years, and one for the term of one year, as designated by the Governor in his appointment; and upon the expiration of each of the said terms a member

shall be appointed for the term of three years, but after January 1, 1911, all accountants appointed to serve on this board must be holders of C. P. A. certificates under the provisions of this act. Any vacancies that may occur from any cause shall be filled by appointment to be made by the Governor for the unexpired term.

2. Any citizen of the United States (or person who has duly declared his intention of becoming such citizen), being over the age of twenty-one years and of good moral character, residing or having an office in the State of Virginia, who shall, as hereinafter provided, receive from the Virginia State Board of Accountancy a certificate of his qualifications to practice as an expert public accountant, shall be known and styled as a Certified Public Accountant; but no other person, nor any corporation, nor any partnership, all the members of which have not received such certificate, shall assume such title, or the title of "Certified Accountant" or "Chartered Accountant," or the abbreviations "C. P. A.," or "C. A.," or any other words, letters or abbreviations tending to indicate that the person, firm or corporation so using the same is a certified public accountant.

3. Examinations of persons applying for certificates under this act shall be held in Richmond at least once in every year, or oftener, in the discretion of the Board. The subjects in which applicants shall be examined are (1) theory of accounts; (2) practical accounting; (3) auditing, and (4) commercial law, as affecting accountancy.

No person shall be permitted to take such examination unless he shall have been practicing on his own account as a public accountant for at least one year; or shall have been employed in the office of a public accountant, as an assistant, for at least two years; or shall have been employed as a bookkeeper for at least three years.

Applicants not presenting proper credentials showing that they have received a general education equivalent to a public high school course of recognized standing, may be required, in the discretion of the Board, to pass a preliminary examination in the subjects embraced in such high school curriculum.

All examinations herein provided for shall be conducted by the State Board of Accountancy, or by a majority thereof. The time and place of holding examinations shall be duly advertised for not less than three consecutive days in at least one daily newspaper published in Richmond, one published in Norfolk and one published in Lynchburg, not less than thirty days prior to the date of each examination.

The Board may make all needful rules and regulations regarding the conduct and scope of the examination, the method and time of filing applications for examination and all other rules and regulations necessary to carry into effect the purpose of this act.

4. The Board may, in its discretion, waive the examination of any person possessing the qualifications stated in section two of this act who



## *C. P. A. Laws*

(1) is the holder of a C. P. A. certificate issued under the laws of another state, which extends similar privileges to certified public accountants of this State, provided the requirements for said degree in the said State are, in the opinion of the Board, equivalent to the requirements in this State; (2) is the holder of a degree of Certified Public Accountant, or Chartered Accountant, or the equivalent thereof, issued under the laws of any foreign government, provided the requirements for said degree are, in the opinion of the Board, equivalent to the requirements of this State; (3) has, for at least one year next preceding the date of his application, been practicing in this State on his own account as a public accountant and who shall apply in writing to the Board for such certificate within six months after this act becomes operative.

5. The Board may revoke any certificates issued under this act if the holder thereof (1) shall be convicted of felony, or (2) shall be declared by any court of competent jurisdiction to have committed any fraud, or (3) shall be declared by any competent court or commission to be insane or otherwise incompetent, or (4) shall be held by this Board to be guilty of any act or default discreditable to the profession, provided that written notice of the cause of such contemplated action and the date of the hearing thereon by this Board shall have been mailed to the holder of such certificate at his last known address at least twenty days prior to such hearing. At all such hearings the attorney general of this State, or one of his assistants designated by him, may sit with the Board with all the powers of a member thereof.

6. The Board shall charge each applicant a fee of twenty-five dollars (\$25.00) for the examination and certificate provided for in this act, which fee shall be payable at the time of application.

In case of the failure on the part of any applicant to attend the examination at the date specified by said Board, or to pass a satisfactory examination, said applicant may appear at the next examination of said one month nor more than six months, or both, in the discretion of the dollars (\$10.00).

From the fees collected under this act the Board shall pay all expenses incident to the examination, the expenses of issuing certificates, the traveling expenses of members of the Board and their compensation while performing their duties under this act; provided, that no expense incurred under this act shall be a charge against the funds of this State. Any surplus of receipts over expenses shall, at the end of each year, be deposited by the treasurer of the Board with the State treasurer to the credit of the State's general fund.

The members of this Board shall be paid an amount not exceeding ten dollars (\$10.00) per day to each member for the time actually spent and also all necessary traveling expenses incurred in the performance of his duties under this act.

The Board shall report annually to the Governor the number of certificates issued and the amounts of receipts and expenses under this act.

7. If any person, or corporation, represent himself, or itself, to the public as having received the certificate provided for in this act, or if he shall advertise himself as a Certified Public Accountant, or Certified Accountant, or Chartered Accountant, or use the initials C. P. A., or C. A., or otherwise falsely hold himself out as having qualified under this act, without having actually received a certificate from the State Board of Accountancy, or if, having received such certificate, he shall continue to practice as a Certified Public Accountant after said certificate has been revoked, or if any person shall otherwise violate any of the provisions of this act, he shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be fined not less than one hundred dollars (\$100.00), nor more than five hundred dollars (\$500.00), or imprisoned for not less than one month nor more than six months, or both, in the discretion of the court.

8. Nothing herein contained shall be construed so as to prevent any person from being employed as a public accountant within this State.

9. All acts or parts of acts in conflict with the provisions of this act are hereby repealed.

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## WEST VIRGINIA

AN ACT to establish a board for the examination of accountants, to provide for the granting of certificates to the same and to provide a punishment for the violation of this act.

*Be It Enacted by the Legislature of West Virginia:*

SECTION 1. That any citizen of the state of West Virginia, or any citizen of any other state having an office in this state, being over the age of twenty-one years and of good moral character, and who shall have received from the governor of the state of West Virginia a certificate to practice as a public expert accountant as hereafter provided, shall be designated and known as a certified public accountant, and every person holding such certificate and every co-partnership of accountants, every member of which shall hold such certificate, may assume and use the title of certified public accountant, or the abbreviation thereof, C. P. A.

SEC. 2. The governor of the state of West Virginia shall appoint a board of three examiners for the examination of persons applying for certification under this act. Two of said examiners shall be public accountants who have been in practice for at least five years, one of whom shall be appointed for the term of two years and one for the term of three years, and upon the expiration of each of said terms an examiner shall be appointed for the term of three years, and said two examiners shall be certified as public accountants by the governor upon their appointment. The other examiner shall be a practicing attorney in good



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standing in any of the courts of the state of West Virginia, who shall be appointed for the term of two years, and upon the expiration of said term a successor shall be appointed for the term of three years. Said board shall elect from their own members a chairman, a secretary and a treasurer, and shall require the treasurer to enter a bond, payable to the state of West Virginia, in such penalty and with such surety as the board may approve, which said bond when so executed shall be filed with the secretary of the state. The examination for certificates shall be based upon an examination in theory of accounts, practical accounting, auditing, commercial arithmetic, bookkeeping and commercial law. Said examinations shall take place twice a year, in the city of Charleston during the months of May and November of each year, under such rules and regulations as may be adopted by the board. Each applicant for such certificate shall pay a fee of twenty-five dollars to the treasurer of the examining board, from which shall be paid the expenses incident to such examination, clerk hire, stationery and traveling expenses of the examining board; also a fee of ten dollars per day to each member of the board for the actual time spent by each in making such examinations. The residue of such fees received shall be paid to the state treasurer before the thirtieth day of September of each year, by the treasurer of said board. There shall be no appropriations whatsoever made to maintain this board. The result of all examinations shall be certified by the board to the governor and filed in the office of the secretary of state and kept for reference and inspection for a period of not less than five years, and the applicant upon passing the examination provided by the board shall receive a certificate of his qualification as such certified public accountant by the governor.

SEC. 3. The governor of the state of West Virginia may revoke any such certificate, for sufficient cause, upon the recommendation of the board of examiners, who, before making such recommendation, shall give written notice to the holder thereof and give him the right to appear for a hearing thereon.

SEC. 4. The board of examiners may, in its discretion, waive the examination of any person who shall show by satisfactory evidence to said board that he has been for the term of three years next preceding the passage of this act practicing in the state of West Virginia, or a sister state, as a public accountant, and who shall apply in writing for a certificate within three months after the passage of this act.

SEC. 5. Any person who shall hold himself out as having received the certificate provided for in this act, or who shall assume to practice thereunder as a certified public accountant, or use the initials C. P. A. or C. A., without having received the certificate provided for in this act, or after the same shall have been revoked, shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of competent jurisdiction shall be sentenced to pay a fine not exceeding five hundred dol-



lars. *Provided*, that the provisions of this act shall not apply to any duty required to be performed under the provisions of chapter thirty-three of the acts of the special session of the legislature of one thousand nine hundred and eight.

SEC. 6. It shall be the duty of the said board of examiners, on or before the first Monday in October of each and every year, to make a report in writing to the governor of this state, containing a detailed statement of the fees received and sums expended, and the balance remaining on hand at the end of the fiscal year after the payment of the necessary expenses as provided in this act.

**Constitution and By-Laws**  
**of**  
**The American Association of Public**  
**Accountants.**





# CONSTITUTION AND BY-LAWS

of

## The American Association of Public Accountants

[As amended at the Annual Meeting at New York, October, 1910]

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### Constitution

#### ARTICLE I.

##### NAME AND OBJECTS.

The name of the association shall be "The American Association of Public Accountants."

Its objects shall be to unite in one organization the public accountants practicing in the United States, to advance the science of accountancy, aid in securing uniformity of legislation affecting the profession and the business community, uphold the high standard of the profession, and encourage cordial intercourse among public accountants.

#### ARTICLE II.

##### MEMBERS—THEIR ELECTION AND ADMISSION AND CERTIFICATES.

SECTION 1. The membership of this association shall consist of two classes—fellows and associates.

SEC. 2. *Fellows* shall consist of:

(a) Accountants who have obtained and hold a C. P. A. certificate duly issued to them by any state or territory, who have been in continuous practice on their own account for at least three years prior to their application for admission to membership, or who, while not in practice on their own account, have served for three years immediately previous to their application for membership in the office of a public accountant in practice and who are still so in service or practice.

(b) Accountants in states or districts where no certified public accountant laws are in effect, who have been in continuous practice on their own account for at least three years immediately preceding their

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application for admission to membership in this association, and who are citizens of the United States or have duly declared their intention to become such.

SEC. 3. Associates shall consist of:

(a) Those who are associates of or accountants in the regular employ of any practicing accountant.

(b) Persons engaged in practice as public accountants on their own account for a less term than three years previous to their application for membership in this association.

(c) Those who are associate members of constituent state or district societies.

SEC. 4. Members shall be distinguished as *Society Fellows* and *Society Associates*; and *Fellows-at-large* and *Associates-at-large* respectively. *Society Fellows* and *Society Associates* are those who are members of this association solely by virtue of their membership in state or district societies admitted to this association. *Fellows-at-large* and *Associates-at-large* are those who are such at the date of the adoption of this Constitution and those admitted as hereinafter provided.

SEC. 5. The entire membership of state or district societies consisting only of certified public accountants, and the entire membership of similar societies consisting of public accountants in states or districts where C. P. A. laws are not in effect, may, on the respective applications of such societies, be admitted to this association as whole bodies, by a two-thirds vote of those present at any meeting of the Board of Trustees of this association, and the individual members of such societies by such admission, shall become either *fellows* or *associates* of this association as they may be eligible under the provisions of sections 2 and 3 of this article, provided, however, that in states or districts where a certified public accountant law is in effect only such persons as hold C. P. A. certificates shall be entitled to membership as fellows in this association:

SEC. 6. Each state or district society shall be responsible for the annual dues of its members to this association, which annual dues shall be payable as hereinafter provided in Article V of the by-laws of this association.

SEC. 7. Upon the admission to membership of any fellow or associate to any state or district society which has been admitted to this association such member shall be reported by the secretary of such society to the secretary of this association, and upon his election by the Board of Trustees shall become a fellow or associate of this association, subject to the provisions of sections 2 and 3 of this article. Society membership in this association shall cease when any member ceases to be a member of any constituent state or district society.

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## *Constitution and By-Laws*

SEC. 8. The admission and election of Fellows and Associates-at-large shall be determined by the Board of Trustees. The trustees may in their absolute discretion by resolution passed by a majority of the members present and voting refuse to admit or elect any person to either degree of membership, fellow or associate, whom they may deem unfit or unsuitable, or suspend for future consideration an application for admission for such time as they may deem desirable; they may readmit to membership any person who has ceased to be a member of the association by resignation, provided satisfactory causes for such resignation and readmission be submitted to them.

SEC. 9. Every person on his admission or election as a Fellow or Associate-at-large of the association shall pay an entrance fee as hereinafter provided to the Board of Trustees, and until payment thereof he shall not be entitled to become or be a fellow or associate-at-large of the association, and failure to pay the same within one month after notice given him by mail shall nullify his admission and election, and his right to become a member shall cease.

SEC. 10. The application of any person desirous of becoming a Fellow or Associate-at-large of this association must contain evidence satisfactory to the trustees that the applicant is not eligible to membership in any state or district society affiliated with this association, and to which the applicant should properly belong, and must be approved in writing by a majority of the committee on membership. The applicant may then be admitted by a majority vote of the Board of Trustees taken either at a meeting thereof or by correspondence.

SEC. 11. Every application for membership in this association made either individually or by a constituent society on behalf of a person resident in a state or district where a state or district society is established and of which society said applicant is not a member, shall be submitted to such state or district society for approval and report thereon. In the event of said state or district society withholding its approval it shall require the affirmative vote of three-fourths of all members of the Board of Trustees present at any regular or special meeting to elect such applicant to membership.

### HONORARY MEMBERSHIP.

SEC. 12. The association, by unanimous vote of the members present at any regular or special meeting, on nomination by the Board of Trustees, may confer honorary membership on any person or persons who by their standing and celebrity in the community at large may be considered as entitled to receive such an honor.

SEC. 13. Upon admission to membership as a fellow or associate of The American Association of Public Accountants every member shall be entitled to a certificate of membership therein, and the members so receiving such certificate shall agree in writing prior to receipt of such



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certificate to the surrender of same to the association in the event of their withdrawal therefrom or their membership otherwise ceasing.

### ARTICLE III.

#### STATE OR DISTRICT SOCIETIES.

SECTION 1. The objects of this association shall be in no manner whatsoever to regulate or interfere with the management, government, or organization of any of the state or district societies belonging to it, except as to the proper observance of this constitution and by-laws. Nor to seek or interfere with legislation in any state except with the consent of the society of such state or district.

### ARTICLE IV.

#### OFFICERS, TRUSTEES, AND COMMITTEES.

SECTION 1. The officers of the association shall be as follows:

A president,

Vice-presidents, who shall be the presidents of the respective state or district societies which are members of The American Association of Public Accountants, or such other member as a state or district society may select as a vice-president of this association, except, however, that the president or other nominee of such society at the date of the annual meeting shall serve as a vice-president of the association until the succeeding annual meeting, provided the said officer shall continue a member in good standing in such society; and

A treasurer,

all of whom shall be fellows of this association; also

A Secretary who shall be a fellow of the association unless in the judgment of two-thirds of all the members of the Board of Trustees the interests of the Association will be better served by securing the services as Secretary of a person who is not a fellow of the association.

Two auditors, who shall be members of this association, but not members of its Board of Trustees, and who shall reside in or near the place selected for the next annual meeting.

SEC. 2. Not more than one officer—exclusive of vice-presidents—shall be selected from among the members of any one state or district society or from among the members-at-large, unless otherwise determined by a two-thirds vote at any meeting of the association.

#### TRUSTEES.

SEC. 3. (a) The Board of Trustees shall be composed of the president, vice-presidents, treasurer, and *nine* other members who shall be fellows of the association.

(b) No more than three members of the Board of Trustees, exclusive of the president, vice-presidents, and treasurer, shall be selected from members of the same state or district society or from among the members-at-large, provided that any member nominated by a society not having its

## Constitution and By-Laws

full representation of the board shall not be disqualified by reason of such nominee being a member of a society which is fully represented.

### COMMITTEES.

SEC. 4. There shall be ten regular standing committees, viz.:

An executive committee; committee on membership; committee on by-laws; committee on annual meeting; committee on state legislation; committee on federal legislation; committee on journal; committee on education; committee on budget; and committee on arbitration. These committees shall be appointed annually by the president, except in the case of the executive committee, which shall be appointed by the Board of Trustees, as is hereinafter provided.

SEC. 5. Each committee shall consist of three fellows of this association; except the executive committee, which shall be composed as provided for in article I, section 8, of the by-laws. A majority of each committee shall constitute a quorum thereof.

SEC. 6. The president shall be *ex officio* a member of all committees.

## ARTICLE V.

### ELECTION OF OFFICERS AND TRUSTEES.

SECTION I. The president, treasurer, trustees, and auditors shall be elected at the annual meeting. They shall hold office during the respective terms for which they are elected, or until their successors are chosen. In case of vacancy in office, the Board of Trustees shall have the power to fill the same until the next annual meeting. The secretary shall be appointed by the Board of Trustees and shall continue in office at the pleasure of said Board.

## ARTICLE VI.

### SEAL

SECTION I. The corporate seal of the association shall be circular in form, having displayed in its center an eagle, upon its breast a shield, its talons resting up on a riband containing the motto or inscription "*Custos fidelitatis*," the riband covering a bunch of arrows and branch of tree on each side respectively and beneath the eagle's talons. Beneath the inner rim and above the eagle's head, a balance. Inside the rim, the inscription, "The American Association of Public Accountants, 1887."

## ARTICLE VIII.

### AMENDMENTS.

SECTION I. Alterations, additions, or amendments to the constitution or by-laws of this association shall be made only at a regular meeting thereof and by a two-thirds vote of the members represented thereat. No proposition to alter, amend, or add shall be acted on unless written

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notice thereof has been given to the secretary at least ninety days prior to the meeting at which the same is to be submitted for action. A copy of any such proposition shall be embodied in the call for the next regular meeting and a copy sent direct to every member-at-large of this association and to the secretary of each affiliated society, *at least thirty days* before the date of such next regular meeting at which the proposition to alter, amend, or add is to be acted on, furnishing each such secretary with one copy of such notice for each and every member in the society.

### **By-Laws**

#### **ARTICLE I.**

##### **PRESIDENT.**

SECTION 1. It shall be the duty of the president to preside at all meetings and to enforce all laws and regulations relating to the administration of the association.

SEC. 2. He shall call meetings of the association or Board of Trustees when he deems it necessary, or when requested so to do by the executive committee, or upon the written request of at least one-fourth of the constituent societies for a meeting of the association, or one-fourth of the trustees for a meeting of the Board of Trustees.

##### **VICE-PRESIDENTS.**

SEC. 3. In the absence of the president, one of the vice-presidents named by the president, or, failing this, designated by the Board of Trustees, shall have all the powers and prerogatives of the president, provided that if the president be absent from the annual meeting of the association the chairman shall be appointed from the vice-presidents by the Board of Trustees.

##### **CHAIRMAN PRO TEMPORE.**

SEC. 4. In the event of the absence of the president and vice-presidents from any meetings of the association or Board of Trustees, one of the members present shall preside.

##### **TREASURER.**

SEC. 5. All moneys payable to the association shall be paid to the treasurer of the association and by him deposited in a bank designated by the Board of Trustees, and all moneys payable by the association shall be paid by checks signed by the treasurer; provided, however, that nothing herein contained shall prevent the Board of Trustees from placing in the hands of the treasurer or other officer such sums as may be necessary to meet salaries and pay current expenses. The treasurer shall be required to give a bond satisfactory to the trustees.

##### **SECRETARY.**

SEC. 6. The secretary shall perform all the duties usually appertaining



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to his office and such other duties as may be assigned to him by the president, the Board of Trustees, or the executive committee. It shall also be his duty, subject to the executive committee, at all seasonable opportunities to advocate the cause of the profession generally, and to initiate correspondence in promotion of the aims of the association.

### AUDITORS.

SEC. 7. The accounts of the association shall be audited by the auditors, and their report shall be made at the annual meeting. The books of the association and the annual accounts shall be delivered to the auditors at least three days before each annual meeting, and their report thereon shall be filed with the Board of Trustees before the date of such meeting.

### BOARD OF TRUSTEES AND EXECUTIVE COMMITTEE.

SEC. 8. It shall be their duty to take charge, control, and management of all the property, real and personal, belonging to the association. They shall keep a record of their proceedings, and make a report thereof in writing to the association at the annual meeting.

Generally the Board of Trustees shall exercise all powers requisite for the purpose of the association as herein described, and possess such other powers as provided for by statute.

The Board of Trustees shall appoint an executive committee consisting of the president of the association as chairman of said committee, the treasurer of the association, and five other members of the Board of Trustees, to whom the board may delegate such of its powers as it may determine, except (a) the election of new members; (b) filling a vacancy caused by the death, disability, or resignation of any officer or member of the Board of Trustees; (c) suspension of an affiliated society or a member for any cause whatsoever; (d) filling a vacancy on the executive committee; (e) appointment or removal of the Secretary.

The executive committee shall keep minutes of its proceedings and report such fully to the Board of Trustees at each meeting thereof. It shall be their duty generally to administer the affairs and supervise the finances of the association, to audit all bills prior to the payment thereof, and to perform such other duties and exercise such other powers as may be designated by the Board of Trustees.

SEC. 9. The office of a member of the Board of Trustees may be vacated by his absence from two consecutive meetings of the board, without good and sufficient reason satisfactory to the Board of Trustees.

SEC. 10. The Board of Trustees shall adopt an annual budget showing the amount of money appropriated for the several purposes of the association for the ensuing year.

No debts shall be contracted or money spent other than as specified in said budget or in excess of the sum provided for the stated purposes until

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such proposed expenditure or indebtedness has received the approval of at least a majority of all the members of the Board of Trustees.

### COMMITTEE ON MEMBERSHIP.

SEC. 11. The duties of this committee shall be to inquire into the standing and character of each person proposed for membership, and to report the same at the next meeting of the Board of Trustees, unless excused by a vote of said board, and no person shall be reported except by a majority of said committee.

### COMMITTEE ON BY-LAWS.

SEC. 12. Every question involving the amendment, construction, or addition of or to any by-laws shall be referred to this committee.

### COMMITTEE ON ANNUAL MEETINGS.

SEC. 13. This committee shall have charge of all arrangements, plans, programs, etc., for the annual meeting of the association.

### COMMITTEE ON STATE LEGISLATION.

SEC. 14. The duties of this committee shall be to assist affiliated societies in matters relating to state legislation affecting the profession, to support members against unjust attack where questions of professional principle are involved, and to consider such questions as may be referred to it by the executive committee or Board of Trustees.

The committee shall report to the Board of Trustees at each of its regular meetings the legislative situation as affecting the profession in each state of the union where matters of interest have arisen since the date of the previous report.

### COMMITTEE ON FEDERAL LEGISLATION.

SEC. 15. This committee shall have charge of the interests of the association as they may be affected by federal legislation. It shall report to the Board of Trustees at each regular meeting thereof, or to the executive committee upon request thereof.

### COMMITTEE ON JOURNAL.

SEC. 16. The duties of this committee shall be to direct the policy of THE JOURNAL OF ACCOUNTANCY on behalf of The American Association of Public Accountants in conjunction with the directors of The Accountancy Publishing Company.

### COMMITTEE ON EDUCATION.

SEC. 17. This committee shall direct its efforts to the development of accountancy education, and shall report annually the progress thereof.

### COMMITTEE ON BUDGET.

SEC. 18. The duties of this committee shall be to prepare an annual budget and present it to the Board of Trustees for adoption.

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### COMMITTEE ON ARBITRATION.

SEC. 19. The duties of this committee shall be:

(a) To investigate and arbitrate such differences of a professional character between members of this association as shall be referred to it by the Board of Trustees, executive committee, or by mutual consent of the parties thereto members of this association.

(b) To report the findings thereon to the Board of Trustees and the parties to the arbitration, provided, however, that no reports to the trustees or executive committee shall be requisite if the findings of this committee be accepted by all of the parties in issue.

(c) And in the event of the non-acceptance of the findings of this committee by any of the parties in issue, to prefer charges against such person or persons before the Board of Trustees sitting as a trial board.

This committee shall organize by the selection of one of its members as secretary, who shall notify in writing at least thirty days in advance of any action such member or members of this association as may be affected by such investigation.

Provided always that nothing herein contained shall operate to suspend the authority of state societies for the adjudication of disputes between members thereof.

## ARTICLE II.

### MEETINGS OF THE ASSOCIATION — REGULAR.

SECTION 1. The annual meeting of the association shall take place on the third Tuesday of September of each year. Notices of meeting shall be sent out not less than thirty days prior to such meeting direct to each member-at-large and to the membership of constituent societies through the respective secretaries thereof, stating the place, date, and time of such meeting.

### ANNUAL MEETING.

SEC. 2. (a) The annual meeting shall be held at such place in the United States as the members in annual meeting of the preceding year shall decide.

(b) The fiscal year of the association shall end on the 31st day of August in each year.

### SPECIAL MEETINGS.

SEC. 3. Special meetings may be called in accordance with these by-laws, at which meetings no business other than that for which they were called shall be transacted. The place at which such meetings shall be held shall be determined by the executive committee.

Notices of such meetings shall be sent, not less than thirty days prior to each such meeting, direct to every member-at-large and to the membership of constituent societies through the respective secretaries thereof,



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stating the place and date of such meeting and the business to be transacted thereat.

SEC. 4. A full report of each regular or special meeting shall be published in the next issue of THE JOURNAL OF ACCOUNTANCY.

### BOARD OF TRUSTEES MEETINGS.

SEC. 5. (a) Regular meetings of the Board of Trustees shall be held on the Thursday next after the third Tuesday in September, the second Monday in April, and the Monday next preceding the third Tuesday in September of each year. Other meetings may be called by the president. All meetings shall be held at such places as shall be determined by the executive committee.

Twenty-one clear days' notice of a meeting of the Board of Trustees shall be given to each member, mailed to him at his usual or last known address, and such notice shall, as far as possible, contain a statement of the business to be transacted at such meeting and the names of any candidates for admission to membership of the association.

Copies of the minutes of each meeting shall be forwarded by the secretary within fifteen days thereafter to every member of the Board of Trustees.

(b) In lieu of calling a special meeting of the Board of Trustees the president may submit proposed resolutions to a vote of the board by correspondence, and any such resolution which is approved by not less than two-thirds of the whole membership of the board shall be declared by the president to be duly carried and shall be recorded on the minutes of the board.

### COMMITTEE MEETINGS.

SEC. 6. All committees shall be subject to the call of their respective chairmen.

### QUORUM.

SEC. 7. A representation of a majority of the fellows of this association shall constitute a quorum authorized to transact any business duly presented at any meeting of the association.

Seven trustees shall constitute a quorum of the Board of Trustees; except when convened as a trial board, when a majority shall be necessary; a majority of any and all committees shall constitute a quorum of such committees.

## ARTICLE III.

### REPRESENTATION AT MEETINGS OF ASSOCIATION — SOCIETY DELEGATES.

SECTION 1. Once in each calendar year each state or district society shall elect delegates and alternates thereto from among the fellows of The American Association of Public Accountants to represent such so-

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ciety at the meetings of the association, and such delegates shall be entitled to cast a vote or votes, at each meeting of the association during the ensuing twelve months upon each question which shall properly be brought before any such meeting, representing in the aggregate the total number of society fellows of The American Association of Public Accountants who are entitled to representation in this association as are members of said state or district association on which dues are paid to the association. Provided, however, society fellows who are such through membership in more than one state or district society shall elect as to the society through which they desire representation, and they shall be entitled to representation for voting purposes, by one such society only. In the absence of instructions to the contrary, they shall be credited to the state or district society from which their last annual dues were received. Each delegate present shall cast an equal proportion of the total vote of the society he represents unless otherwise directed by his society.

SEC. 2. Each state or district society may determine as to the number of its delegates to this association, not to exceed, however, one delegate for every ten fellows, and provided that at least ten days prior to every meeting of the association the secretary of each state or district society shall furnish a properly attested certificate of the names of the delegates and alternates thereto who have been duly elected to represent such society, and also to state thereon the number of fellows, members of such society, who are entitled to representation in this association.

### FELLOWS-AT-LARGE.

SEC. 3. Each fellow-at-large, who was a member of this association prior to January 10, 1905, shall be entitled to cast one vote, either personally or by duly authorized proxy, upon each question which shall properly be brought before any meeting of the association, and for the election of officers thereof. If, however, he elects to so vote he shall not be entitled to representation for voting purposes as a society member.

SEC. 4. Fellows-at-large who may have been admitted to membership after January 10, 1905, shall not be entitled to a vote until such time as their number reaches ten, when they shall, once in each calendar year, form themselves into an assembly or group for the purpose of obtaining representation at the meetings of the association; and for such purpose they shall select from among their number a delegate or delegates and alternates, not to exceed, however, one delegate for every ten such fellows-at-large, who shall be entitled to cast a vote or votes pursuant to the provisions of section 1 of this article. The notice to the secretary of the association of the election of such delegates and alternates shall be in accordance with the procedure indicated in section 2 of this article.

### ASSOCIATE MEMBERS.

SEC. 5. Associate members shall not be entitled to any vote.

### MEMBERS MAY ATTEND MEETINGS.

SEC. 6. All members of the association may attend all meetings and

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take part in the proceedings thereof, but voting shall only be in accordance with the provisions of this article.

### ARTICLE IV.

#### NOMINATION AND ELECTION OF OFFICERS.

SECTION 1. Nominations may be made at the annual meeting of the association by any society delegate or fellow-at-large for each of the following officers, viz.:

President,

Treasurer, and

Two auditors, to serve until the date of the succeeding annual meeting; and for

Three trustees, to serve for three years each.

Nominations may also be made at the same time to fill the unexpired term of any trustee whose office may be then vacant.

SEC. 2. Election shall be by ballot. A chairman and two tellers shall be appointed to receive the ballots for each officer, trustee, and auditor. They shall canvass the ballots so cast and announce the result to the presiding officer, who thereupon shall declare the members receiving the majority of the votes cast elected to the respective offices.

SEC. 3. In case of no choice on the first ballot for any one or more officers, trustees, or auditors, a new election shall take place at once for the particular case or cases in which there has been no choice, until a choice be made.

### ARTICLE V.

#### INITIATION FEES AND DUES.

SECTION 1. The following shall be the initiation fees:

(a) By a fellow-at-large on admission, without becoming an associate, \$25.00.

(b) By an associate-at-large on becoming a fellow, \$15.00.

(c) By an associate-at-large on admission, \$10.00.

SEC. 2. No initiation or admission fees shall be exacted from state or district societies in respect to members joining the association through such societies as provided in article II of the constitution of this association.

SEC. 3. The following shall be the dues for each fiscal period ending August 31:

By each fellow-at-large, \$10.00.

By each associate-at-large, \$5.00.

By each society fellow, \$5.00.

By each society associate, \$2.50.



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SEC. 4. Such dues shall be due and payable annually in advance on September 1 of each year, or at the date of a member's election or admission to membership; and until such payment thereof, no certificate of membership shall be issued. Such dues shall be apportioned in the first instance to the end of the fiscal year, namely, August 31.

SEC. 5. No affiliated society or member-at-large of the association shall be permitted to vote or be entitled to representation at any meeting thereof when dues are sixty days in arrear.

SEC. 6. No state or district society shall be assessed for dues upon any member who elects representation through another society or as a member-at-large.

## ARTICLE VI.

### RULES OF CONDUCT.

1. No member shall allow any person to practice in his name as a public accountant who is not a member of this association, in partnership with him or in his employ on a salary.

2. No member shall directly or indirectly allow or agree to allow a commission, brokerage, or other participation by the laity in the fees or profits of his professional work.

3. No member shall engage in any business or occupation conjointly with that of a public accountant, which in the opinion of the Board of Trustees is incompatible or inconsistent therewith.

4. No member shall certify to exhibits, statements, schedules, or other form of accountancy work which have not been verified entirely under the supervision of himself, a member of his firm, one of his staff, a member of this association or of a similar association of good standing in foreign countries.

5. No member shall in his business advertisements use any initials as an affix to his name that are not either authorized by statutory enactment of this country or by the well-known associations established for a similar purpose in the British Empire, nor shall he affiliate with or substantially recognize any society that is designated or in any way sets itself out to be a so-called certified public accountant society, unless the state in which such society is organized has the requisite statutory enactment in full force and effect.

6. No member shall take part in any effort to secure the enactment, alteration or amendment of any state or federal law affecting the profession without giving immediate notice thereof to the secretary of this association, who in turn shall at once advise the secretary of the state or district society concerned.

ARTICLE VII.

SUSPENSION AND EXPULSION.

SECTION 1. A state or district society renders itself liable to be expelled from the association or to be suspended for a term not exceeding two years by resolution of the Board of Trustees sitting as a trial board, if, after election to membership, it (a) lowers its standard of admission to membership; (b) fails to maintain its organization; (c) fails to pay its dues; or (d) refuses or neglects to give effect to any decision of this association, of the Board of Trustees or of the Committee on Arbitration.

SEC. 2. A member renders himself liable to be expelled from the association or to be suspended for a term not exceeding two years by resolution of the Board of Trustees sitting as a trial board, if (a) he infringes any part of the rules of conduct of the association, (b) is convicted of felony or misdemeanor, (c) is finally declared by a court of competent jurisdiction to have committed any fraud, (d) is held by the Board of Trustees on the written complaint of any person aggrieved, whether a member or not, to have been guilty of any act or default discreditable to the profession, (e) is declared by any competent court or commission to be insane or otherwise incompetent, or if (f) he fails to pay any subscription, dues, assessment or other sum owed by him to the association within three months after such debt has become due.

ARTICLE VIII.

TRIAL BOARD.

SECTION 1. For the purpose of adjudicating complaints or charges against members of the association as provided in article VII the Board of Trustees shall convene as a trial board.

SEC. 2. Due notice shall be mailed to the parties to the cause by the secretary at least thirty days prior to the proposed session.

SEC. 3. A three-fourths vote of those trustees present shall be necessary to a decision.

SEC. 4. The Board of Trustees (sitting as a trial board) may in the exercise of its discretion recall, rescind, or modify any resolution for expulsion or suspension at a meeting similarly called and convened by a like majority vote as required in section 3 of this article, provided that not less than three-fourths of the members constituting such board shall have been of the board that issued the decree then being reconsidered.

SEC. 5. Written notice of any resolution for expulsion or suspension shall forthwith be sent to the member affected thereby and to the secretary or secretaries of the state or district society or societies with which such member is affiliated or in which state he has his domicile or place of business.

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### ARTICLE IX.

#### RULES OF ORDER.

SECTION 1. The rules of parliamentary procedure as laid down in "Roberts' Rules of Order" shall govern all meetings of the association.







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